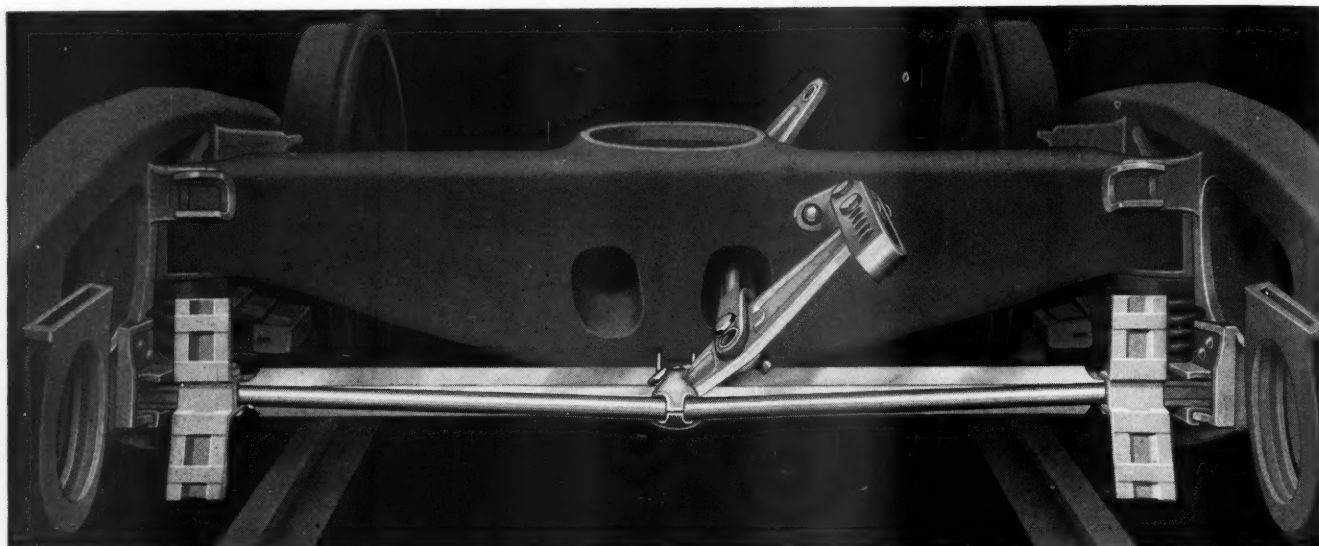


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NEW YORK, N. Y.

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Have the Republicans No Ideas on Transportation?

In a popular English magazine a few weeks ago appeared an eloquent plea by its publisher that England and France go to the aid of beleaguered Finland. His argument in substance was: "We claim to be fighting for democracy, whereas our critics say we are merely protecting our own selfish interests. Finland is the one place in the world where real democracy is most acutely endangered by militant tyranny. Unless we go to Finland's defense, therefore, the contention that we are fighting rather for our own special interests than for the right of democracy to live will be *ipso facto* proved to the rest of the world."

Virtue in Principle—How About Practice?

The irrefutable logic of this argument might be pondered with profit by the Republican brain-trusters who compiled the recent "white paper" entitled "A Program for a Dynamic America—a Statement of Republican Principles." This opus is a comprehensive and intelligent statement of policies necessary for the restoration of "free enterprise" in this country. It goes on to enumerate New Deal measures which have stifled enterprise, and how they should be modified or repealed in order that private resourcefulness may once more take up its beneficent task of increasing the national income and magnifying the well-being of the American people. All in all, a highly moral and intelligent document, *but* for one thing, viz.: **It says nothing about defending free enterprise in the one place—transportation—where such enterprise is suffering the heaviest onslaught from collectivism; and where, consequently, free enterprise is most likely to succumb.**

Can the Republicans, while ignoring or even condoning the collectivist invasion of transportation, convince the American people that they are sincere defenders of the *principles* of private enterprise? If they make such a claim, can they possibly avoid the unanswerable criticism to which England and France have been subjected for their tardiness in going to Finland's aid, namely, that they are fighting more for selfish ends than for a wholesome principle? We raise this question in no factious or unfriendly spirit, but

in our zeal for the restoration of the American economy to free private enterprise—relegating government to its proper function of "umpire" and protector of life and property. The British journalist who urges his country to go to the aid of Finland does so because he so earnestly desires it to be *accepted* as a genuine defender of democracy. Our feeling toward the various groups who have essayed to defend free enterprise is quite analogous—let them get on with their campaign and be so sincere and complete about it that they may be *accepted* as defenders of the principles they claim to defend, so that they may have some chance of winning recruits.

Why should anybody not on the "inside" get enthusiastic about the Republicans' campaign in behalf of "free enterprise"—if he has reasonable grounds for suspecting that, if victorious, the Republicans would apply their lofty principles only so far as they would benefit the insiders, leaving the rest of the economy to wallow in the misery of collectivism? The Republicans and other groups holding themselves out as defenders of free enterprise cannot afford to offer grounds for this suspicion. Their only hope of victory lies in their success in gaining recruits who are not "insiders"—recruits who would benefit from a genuine and whole-hearted restoration of free enterprise, but who would gain nothing from a merely *selective* freedom, in which they were not to participate.

Don't These Principles Apply to Transportation?

When it comes to the statement of general principles which are needed to protect the boundaries of free enterprise against collectivist inroads, the Republican "white paper" does the job as completely and concisely as it has ever been done, to wit:

"If we are to realize the full benefits of a freely functioning economy under intelligent regulation, government should not compete with its citizens in business enterprise. If government does compete with its citizens in business enterprise, either as a by-product of some well-established and acknowledged function of government or under the 'yard-stick' theory, then two clear requirements should be met:

"First, the government's operation and accounting should be such as to make possible a scrupulously fair comparison with the operation of comparable private enterprise with which it is competing. Otherwise there is no clear standard by which to

judge the wisdom or the folly of the government venture in question.

"Second, the area of government competition should be so clearly delimited that private enterprisers may venture to invest without the uncertainty that, at any time, the field may be further invaded by government."

This is a perfect statement of the necessary principles. And yet, when the Republican brain-trust gives point to this general statement by citing specific violations of its principles by the New Deal, it singles out T. V. A.'s competition with the utility industry, and ignores the far more flagrant violations of free enterprise principles in transportation. It is as if the Franco-British allies should rush off to "defend democracy" in Roumania or Turkey or even Italy, while leaving Finland to its fate.

The fact of the matter is that, in 1920, the business of commercial transportation over distances of ten miles or more was almost exclusively in the hands of private enterprise. Since that time, federal, state and local governments have expended upwards of 20 billion dollars toward the construction, maintenance and operation of publicly-owned transportation plant, largely in competition with the privately-owned transportation plant which was in existence in 1920 and that which has been privately provided since that date. *Not one dollar of this huge public outlay has been expended under the safeguards which the Republicans insist should be set up to protect private enterprise from government competition.*

Will G. O. P. "Delimit" Waterways?

As for the demand that "the area of government competition should be delimited," do the Republicans not know that no railroad today has any assurance that it may not at any time be paralleled by an improved waterway or a "superhighway"? And that such a highway or waterway may be built without regard to its economic justification, all factors considered; with no consideration of the adequacy or economy of existing railroad service; and with no charges on the commercial users of the new facility commensurate with its cost of construction and upkeep? The situation not only violates the principles enunciated by the Republican brain-trust but also those of plain common sense—if restoration of confidence in the future of privately-owned transportation be accepted as desirable. Even if the railroads were making money, the constant threat of paralleling them by free waterways and "superhighways" would be enough to destroy their credit and inhibit new investments in them.

Much of the collectivist transport investment has, of course, been for the improvement of purely local transportation, and hence has not come into competition with transportation facilities provided by private enterprise. However, these facilities, even when intended primarily for local and non-commercial use, have been made freely available for long-distance transportation—and with no attempt whatever by any of the governments, federal, state or local, to "set up books" for long-distance commercial transportation via highways and waterways as

private enterprise would have to set up its books to provide such service. In the case of waterways, no attempt is made to collect from the users any charges whatsoever for the costly facilities thus made available in competition with the privately-owned and privately-financed railways. The competition of the government by improved inland waterways alone (to say nothing of highways) is vastly more widespread than government competition with the utilities. It is also vastly more unfair, because, after all, T. V. A. does *charge something for its power*, while it *gives away its transportation facilities absolutely free*.

Collectivism Only Where It Helps the Rich?

Do the Republicans desire to invite the suspicion—which they certainly do by this "white paper's" concern for the utilities and its total silence regarding government competition in transportation—that they oppose collectivism when its principal beneficiaries are a lot of "submerged thirds," but that they favor collectivism when its beneficiaries are prosperous industrial corporations? It is a matter of record that the principal users of the collectivist waterway transportation facilities are large industrial corporations, and petroleum corporations especially. Furthermore the record discloses that these large and prosperous users of the inland waterways do not pass along the "savings" from such shipment to their customers, but charge them railway rates to destination, sticking the difference into their pockets. The "little fellow" doesn't benefit from these waterways, because he produces only by the carload or the truckload—not in barge-load lots. The consumer doesn't benefit, because the big waterways shippers do not pass their "savings" from waterway transportation on to him.

All the people, by their taxes, spend hundreds of millions of dollars annually to no other purpose than the further enriching of a few of our most prosperous corporations, and giving jobs to a lot of self-serving bureaucrats on the federal payroll. And, meantime, this competition ruins the business and the credit of the privately-owned railroads, and puts railroad employees on the relief rolls. Finally, the waterways do not even provide "cheap transportation" but service which—all costs included—is far more costly than that afforded by the railroads.

"Conservatives" and New Dealers in Cahoots

And now in Washington there has sprung up an alliance between such New Dealers as Henry Wallace and Harry Woodring, on the one hand, and "conservative" industrialists on the other (as represented by various pro-waterway business organizations) to prevent even a modest degree of uniformity in the regulation of the collectivistic waterways with that of the privately-owned railways. In such an alliance business inconsistency has reached its apogee; it can go no further than this.

The Republicans and the National Association of

Manufacturers and the Chamber of Commerce of the United States are under no obligation to defend free enterprise in transportation or anywhere else. But they have voluntarily declared themselves the protagonists of free enterprise and, obviously, are inviting support as such. The question which must arise in the mind of the independent "outsider," in the face of such an invitation, must be, if he really wishes to defend private enter-

prise, whether these banner-carriers really mean to wage the war they promise to wage. A man is a fool and destined for destruction who doesn't defend himself—but whether he should combine with others for common defense against a common enemy is entirely a matter of judgment. He should assure himself, before entering such a coalition, that his proposed allies are sincere—that they will defend him with the same zeal

The Umbrella Men Are Still At It

The proposed report in *Midwestern Motor Carrier Rates* (MC 23) would put a "floor" under truck rates in Iowa, Illinois, Indiana and parts of Missouri, Kansas and Nebraska, of approximately the existing rates. If the I. C. C. adopts this report, it will put its *imprimatur* on a lot of incongruities, not economically sound, endorsing transportation chaos and making regulation ridiculous.

One examiner conducted the hearings but another wrote the proposed report. The railroads remained virtually silent throughout the hearings. A member of the I. C. C. staff called meetings of motor carriers prior to the hearings and indicated that, if they would reach an agreement as to rates, the I. C. C. would approve such rates as minimums. Not all motor carriers attended these meetings, and those who did were not unanimous.

This prior encouragement apparently caused the Kansas City motor carrier bureau to go slightly hysterical. Anyhow it proposed a conglomeration which shocked even the examiner into saying:

"The proposals of the Kansas City Bureau are so confused that it is impossible to ascertain the rates desired, and the tariffs containing these rates are in such condition and reveal such discriminations and inequalities that they may not be prescribed as a lawful basis of rates."

When one reviews the tariffs this examiner does recommend as minimums, it is impossible to avoid the conclusion that the Kansas City tariffs must have been honeys.

There are so many widely varying bases proposed as minimum rates, that they are difficult to set forth in this short article, but the following illustrations should suffice:

Proposed Class Rates	Miles	Classes		
		1st	4th	5th
Illinois territory	200	80	40	28
Illinois-Iowa 50-50	200	96	53	36
Iowa	200	79	43	30
Iowa-Nebraska 50-50	200	107	59	40
Nebraska	200	111	61	42

Class rates proposed as minimums within four states (where trucking costs for similar service do not vary as much as 10 per cent) vary 39 per cent in first class; 52 per cent in fourth class; and 50 per cent in fifth class. These disparities are further exaggerated by the proposed adoption of railroad classification, (which varies more than 50 per cent on the same character of traffic) to apply in connection with these rates, and still further by numerous exceptional bases.

The primary consideration at issue was competition among motor carriers, with railroads and from privately operated trucks. The report states that minimum rates recommended contain inequalities

and maladjustments; and that they are oftentimes predicated upon artificially inflated distances not traversed in performing the service. Further it says:

"No conclusions can be predicated on the limited cost data available. The testimony of several witnesses for respondents is that many carriers are abandoning or restricting their operations or selling out entirely because of their inability to operate efficiently and profitably under existing conditions. From the record as a whole, it appears that while undoubtedly many Class I carriers are operating at a fair profit, the smaller carriers, who are in the vast majority, are for the most part in a precarious condition."

Isn't the burden upon the petitioners to sustain their allegations with sufficient proof, including cost data? Where is there proof, except unsupported lip service of a few *selected* witnesses, that any of these carriers are in a precarious condition; that their inefficiency and lack of profit is due to the rate level; that they are operating efficiently and economically; or that public convenience and necessity justifies their existence? *What law justifies a minimum order under such circumstances?*

As an indication of the extent to which they are "pick and choosing" return loadings, they propose 24 cents on scrap metal, minimum 20,000 lb., from Mason City to Chicago, and \$48 per truckload—approximately 50 per cent of average operating cost. A truckload of merchandise, minimum 20,000 lb., from Chicago to Mason City, pays 45 cents and \$90 per truckload. The first class rate is \$1.21, or \$242 per minimum truckload of 20,000 lb.

The report of this examiner, alone, would not be so alarming, if Division 5 had not already held a similar temporary umbrella over this group, and was not now holding an umbrella over similar groups in Central Freight and Trunk Line territories permitting all trucks in those areas to get under it without showing necessity or efficiency. *The entire I. C. C. ought to wake up to these umbrella boys, and decide whether after mature consideration, it can possibly approve what they are doing.*

Railroad inaction is helping support this umbrella at railroad expense. For example, railroad traffic, except merchandise, for the week ended February 10 increased 11.8 per cent but merchandise decreased 6½ per cent. It is reasonably certain the trucks also gained as much in carload traffic, but this effect is not shown so clearly by the figures. Is such inaction on the part of the railroads and encouragement on the part of the I. C. C. justified by the law and the facts? To what extent has the *public interest* been considered in these deliberations?

that they expect him to show in defending them. If there is any doubt on this point, then the man who is invited into the coalition had better stay out of it. There is no use of his wearing himself out fighting for freedom for others, only to find that, exhausted by his efforts, he is going to be left to fight his own battle alone; and maybe even with some of the people he has helped in the ranks of the enemy.

These observations are not made in contentiousness, nor in frivolity either. If private enterprise cannot be given the opportunity for profit as a reward for resourcefulness in innovation, and in payment for the investment of capital, then America is through as the land of progress and a rising standard of living; we shall be condemned to an indefinite future as dark or darker than the past decade has been. So we hope the protagonists of private enterprise will win their campaign. But they cannot win it without recruits—and where are they going to get recruits so long as they neglect to give convincing evidence of the depth and sincerity of their belief in, and understanding of, what private enterprise really signifies?

Higher Wages, Fewer Jobs

Wage increases beyond the ability of the railways to absorb them can only result in loss of jobs. This fundamental economic principle is again receiving emphasis in the hearings now being conducted in Washington to determine the future minimum wage (up to a possible level of 40 cents an hour) to be paid in the railroad industry.

It is a striking fact, as shown by testimony presented

before the Railroad Carrier Industry Committee, that those railway employees who have received the greatest relative increases in their wages have also seen the greatest relative reductions made in their ranks. Comparing 1939 with 1928, the average hourly compensation of railway employees engaged in roadway and structure maintenance work showed an increase of 17.3 per cent. The number of such employees showed a decline of 49 per cent.

In the same period, it was shown, the average hourly compensation of railway employees engaged in maintenance of equipment work increased 13.2 per cent: the number of such employees declined 42.1 per cent. Finally, average hourly compensation of all other railway employees increased by 10.4 per cent from 1928 to 1939, while their number declined by 35.1 per cent. The relative reduction in employment in each instance paralleled the relative increase in average hourly earnings. The old phrase "The higher, the fewer," still holds inexorably true when applied to wages and jobs.

It has been shown, also, in the current Washington hearings, that an investment of \$600 in roadway maintenance machinery will mean the displacement, on the average, of one maintenance employee. Mechanization has progressed on the railways, of course, since the first train ran; but the field for the greater use of machines is still wide: it will be widened even further by increases in labor costs. Any increase in the minimum hourly wage in the railroad industry can only accelerate mechanization, with its consequent accelerated displacement of men by machines. Higher and higher wages to fewer and fewer employees seems somewhat doubtful economics at the present time, from the viewpoint of the railroads, of railroad employees, and of the welfare of the nation as a whole.

Uncle Sam, a Transportation Mugwump

"In any mass-production industry costs are directly related to volume, and when any important percentage of traffic is diverted to highways or waterways the unit cost of carrying the remaining traffic is increased, necessitating a higher charge to the public for the traffic that must still be handled by the railroads.

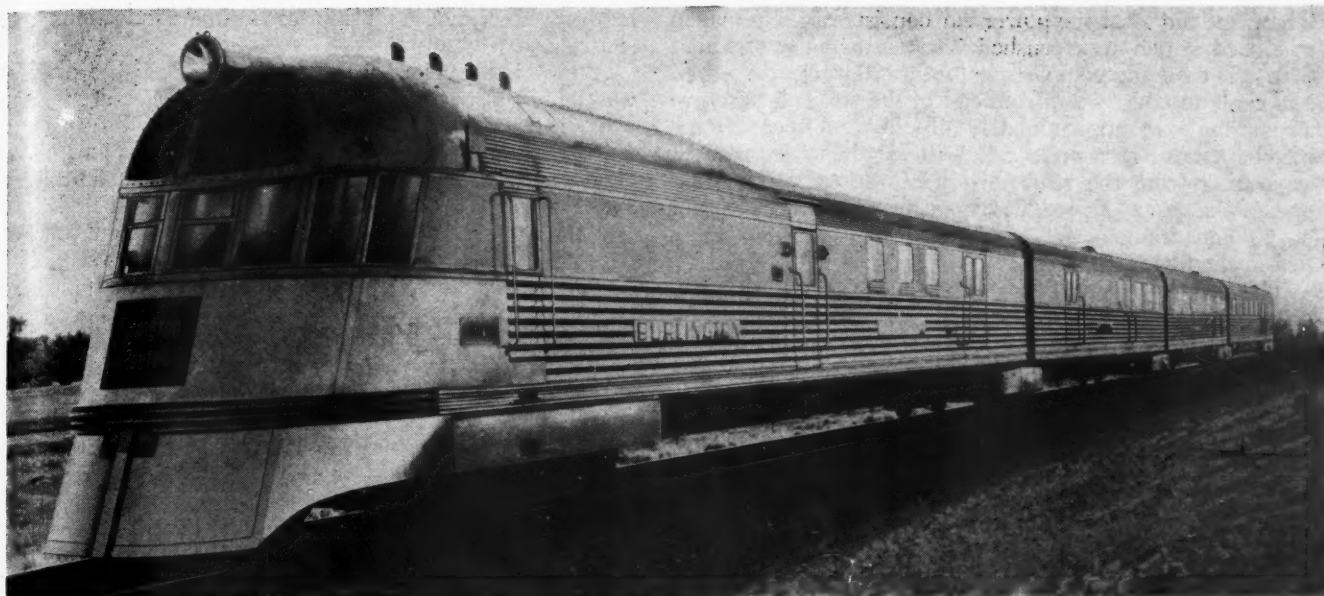
"There is and can be no denial that railroad costs are directly related to volume, and yet we find the public accepting the fallacy that reduced railroad volume can be accompanied by a lower rate level. Reduced volume does not make possible lower rates, but on the contrary compels higher rates, and if a certain favored group of shippers is relieved of the obligation of paying its full share of the costs, then other shippers must necessarily make up the balance, assuming,

of course, that private ownership and private credit are to continue. . . .

"At the present time there are many advocates of the St. Lawrence Waterway as a means of reducing transportation costs to the public. Whether the construction of this waterway reduces transportation costs as a whole will depend on whether the savings to the public through the use of the waterway will more than counterbalance the increased railway costs due to a reduced railroad volume. The assumption that diversion of traffic to the waterway will permit railroad rates as a whole to be lowered is of course sheer economic nonsense.

"Contradictory policies on the part of the government and its various agencies are largely responsible for the present plight of the railroads. . . ."

From an article by Fairman Dick in "Atlantic Monthly."



Pioneer Zephyr After Reconditioning Following the Collision

Pioneer Zephyr Is Repaired in Record Time

Protects passengers in serious collision and is returned to service 17 days after receipt of the new front section from the car builder

THE Pioneer Zephyr of the Chicago, Burlington & Quincy began operating between Kansas City, Mo., and Lincoln, Neb., in November, 1934, and is one of the Burlington's fleet of nine stainless steel Zephyrs which have accumulated to date approximately 8,000,000 miles of service without serious injury to a single passenger. On October 2, 1939, the Pioneer Zephyr passed through an open switch at Napier, Mo., and, at a speed variously estimated at less than 45 m. p. h., up to 60 m. p. h., collided with a steam locomotive which was taking water at a crane on the siding. This was the first major accident involving a train of the stainless-steel type. Unfortunately, it cost the life of the engineman and also a roadmaster who was riding in the cab and died later from injuries received in the collision.

All of the passengers on the train were riding in the two rear cars and escaped without serious injuries, their protection being a notable achievement considering the tremendous forces involved in the collision. The four-car Zephyr weighed about 150 tons and the force of impact moved the steam locomotive and two loaded freight cars, weighing a total of 350 tons and standing with the brakes set, back a distance said to have been from 90 to 128 ft.

The front end of the Pioneer Zephyr power car, containing the Diesel-electric power plant, was crushed and there was some structural damage to the second car, but practically none to the third and fourth, largely due to the fact that the four car-body units making up this train, remained connected at the articulated joints and the train did not turn over or leave the rails. The absence of structural damage or distortion in the two rear cars was

shown by the ease of opening doors, following the collision, without evidence of binding, and the fact that only one window was broken. The strength of the stainless-steel construction in these cars and the absorption of most of the destructive forces in the power car is credited with the inconsequential damage to the remaining cars of the train and the absence of injuries to passengers.

In making the extensive repairs necessary to the power car of the Pioneer Zephyr, made of stainless steel, the Burlington broke new ground and answered many questions which have been raised regarding the possibility of repairing cars which embody this new type of construction. In addition, a very creditable time record was made in rebuilding and repairing this train at the Aurora, Ill., shops where the new front end of the power car was received from the builder in a semi-assembled state on November 13, the reconditioned Electro-Motive Diesel engine and generator applied through the roof on November 14 and the finished train set out of shop on December 5, seventeen working days after receipt of the front end. To accomplish this result the fitting and welding operations were continuous on a three-shift basis, some of the electric and pipe work being done on two shifts. Special welding equipment included six Budd Shotweld machines, ranging from 10 to 100 kv. a. in capacity and operated by Burlington welders.

General Description of Damage to the Train

Referring to the drawing, a good idea will be obtained of how the individual cars in this train were damaged.

The front end *A* of the power car consists of a Cromansil steel bed which was crushed back a distance of about 6 ft. The engine compartment *B* was largely destroyed and came to rest on the front end of the steam locomotive at an angle of approximately 45 deg. All car frame members were torn apart at *C*, the engine compartment separating from the rear portion of the car. The rear end of the car at *D* was damaged by bending the corner posts, end framework, corrugated roof end and three feet of the floor structure.

The front end *E* of the second car was crushed inward, causing some damage to the end frame, roof, floor members and front articulation casting. At *F*, the rear of the second car, the corner posts were bent, one collision post broken and the corrugated roof end displaced. At *G*, the forward end of the third car, the sheathing was damaged slightly at the right upper corner. The rear observation car had only one broken window, one bent bulkhead partition and some bent parlor chair frames.

The principal damage to the Diesel engine was springing the crank shaft, due to tilting of the direct-connected electric generator at the forward end. The front end sill and the bolster center plate of the power truck were broken, along with brake cylinders and other parts. Both axles were bent and the motor housings damaged. Practically the only damage to the second, third and fourth trucks was breakage of the air-brake cylinders and slack adjusters.

Cars Repaired at Aurora Shops

The two rear cars of the train were moved to Aurora shops from Napier on their own trucks, arriving October 5. The bodies of the two front cars, their trucks, and the Diesel engine with its auxiliaries, were loaded on open-top freight cars, arriving at Aurora shop, October 7.

The Cromansil engine-bed assembly, because sprung out of true alignment, was sent to the Electro-Motive Corporation, La Grange, Ill., where it was thoroughly checked, realigned and such portions as comprise the cab floor were renewed. The entire bed was then forwarded to the Budd Company plant at Philadelphia, Pa., where a new front end shell and car-body frame, about 28 ft. long, was built upon this bed as a foundation. The rebuilt front-end section of the power car was then returned to Aurora shops.

The main Diesel engine, main generator, auxiliary generator, and all other power-plant and cab accessories were sent to the Electro-Motive plant for repairs; they were then returned to Aurora shop where each unit was properly mounted, wired and piped for all electrical, air,

steam, water, fuel and lubricating-oil connections and controls.

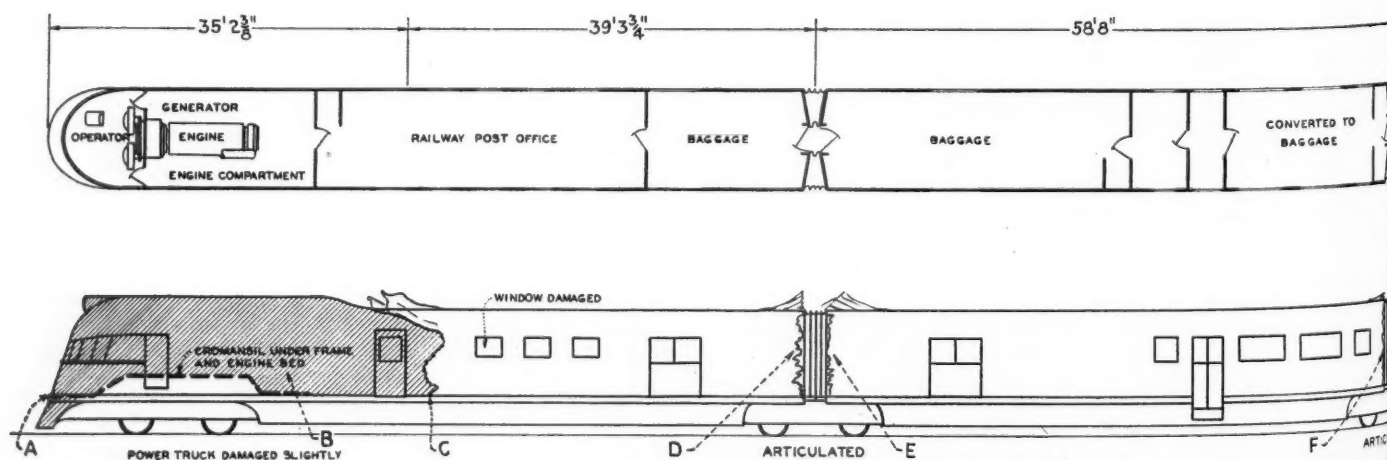
A new battery box was installed because the original was damaged beyond repair. New fuel, steam, air, and water lines were installed practically throughout this car. Engine water-cooling radiators were rebuilt as part of the accessories. Some items of the air-brake schedule damaged and replaced around the power plant included an EP-2 master relay, No. 21 magnet valve and bracket, M-3 feed valve, B-4 foot valve, C-2 cut-off valve, 5-A vent valve, A-1 magnet valve, main reservoirs and other small parts.

How the Damaged Cars Were Repaired

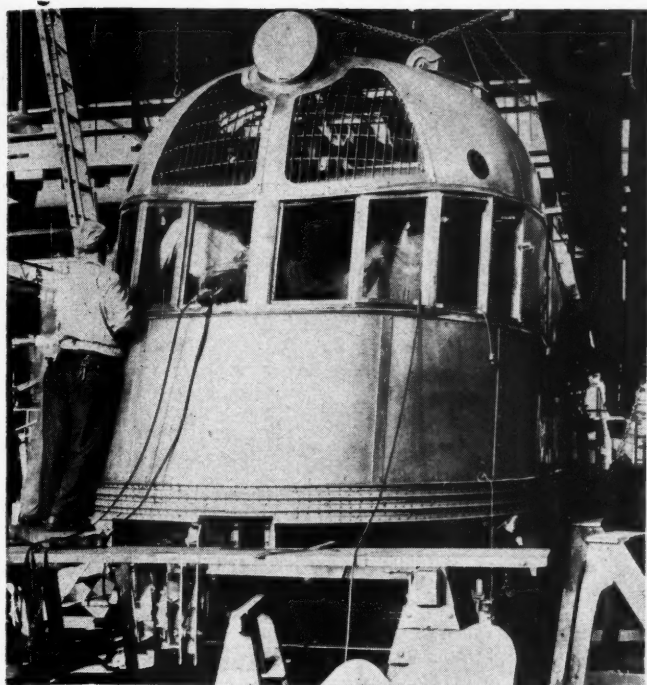
The entire front end of the power-car body was applied new by splicing to the salvaged rear portion of the original body. In the splicing operation, the rear section, supported on a temporary truck and blocked at the forward end, was located in the coach shop. The new front section, on its own power truck and with the rear supported on a rubble car, was moved into the shop and longitudinal members of the frame cut to the proper length, corresponding to those on the rear unit, the spliced joints being staggered.

The longitudinal members of the power-car frame which had to be spliced included floor stringers, top and bottom skid rails, belt rails and belly rails, made of stainless-steel channels, angles, Z-bars, etc. When the two sections of the car were leveled and lined up, all joints fitted accurately as anticipated ready for the welding operations. These joints were reinforced by the application of corresponding splice shapes, shot welded in place and using as many welds as possible, spaced about ½ in. apart. The two center floor stringers were reinforced by 10-ft. channels which increased the strength over the original construction. Major stress-carrying members over mail-car doors and side rails also were made of heavier section than the original. The long belly channels which comprised the framework, were tied together with truss and gusset pieces, all being new.

The fluted side sheathing was renewed in one piece without splice between doors and car ends and held in place by stainless screws with snap-on molding. The deadlight panels at the top also were applied without splicing, being held by screws. The roof and belly sheathing, made of corrugated stainless steel, was spliced by lapping 12 in. and held in place by poke-welding with spots spaced about 1 in. apart in each corrugation. The lap edges were soldered for water seal. The radiator supports and engine roof hatch were applied. All win-



Plan and Elevation Showing Points at Which the Pioneer Zephyr Was Damaged in Collision



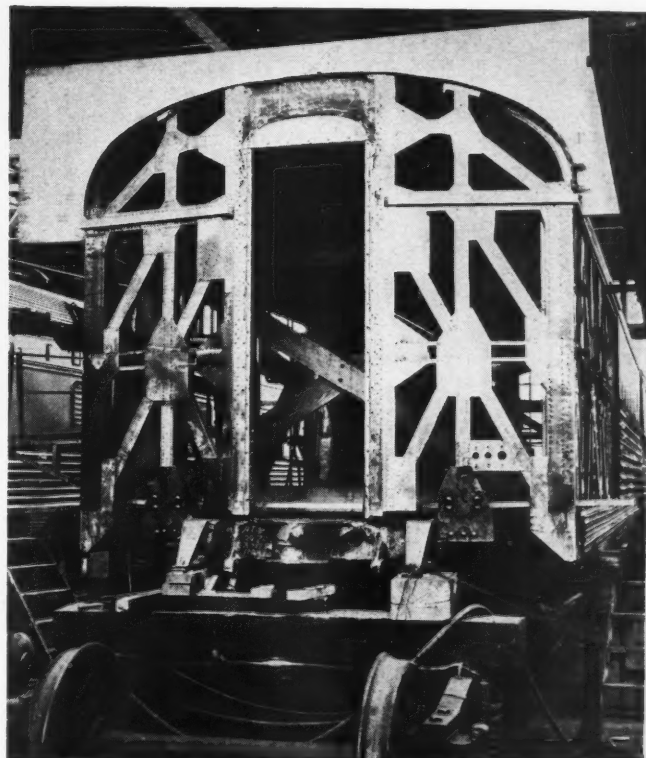
The New Power-Car Front End Being Applied in Aurora Shops

dow sash and doors were fitted to their openings and glazed. The pilot assembly was completed and applied. The cab compartment was sound deadened by the application of Burgess metal. Stonefelt insulation and standard inside lining were applied.

In the mail compartment, the inside finish, lighting, heating, toilet facilities, wood floor, and the sorting table fixtures and letter cases, bag racks, door tracks, etc., had to be partially renewed.

In the second car the front articulation casting, bent at the collision-post arms and twisted at the end sill connections, was heated, straightened and normalized. A new center-sill top-cord assembly at the front end of the car, made at Aurora shop, was installed. About 12 ft. of the floor structure was applied new at the front end, including the floor beams, floor stringers, floor corrugations, end-sill extensions, floor-sheet panels, flooring, etc. Necessary replacement or repairs were made in several front bottom rib assemblies, front belly corrugations, right and left end sheets and end-truss assembly framing, roof carline assemblies and corrugated covering.

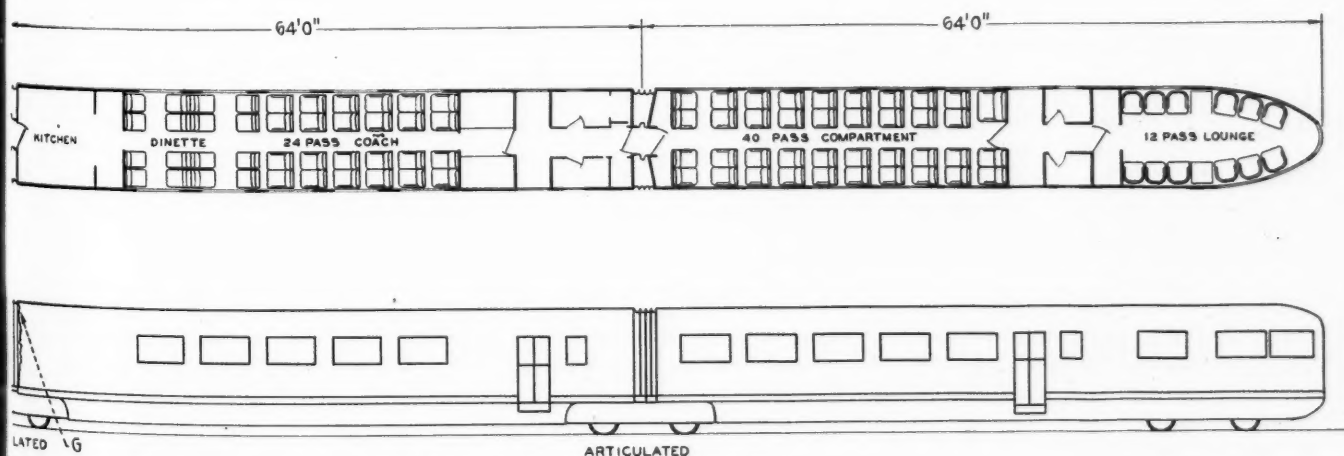
All four corner posts were distorted or sprung, some members being made new and others repaired. The side framing at the corner posts was repaired and some gussets replaced. The entire floor and belly structure were replaced with new members for about 14 ft. forward of the rear end, new roof structure and corrugation being required for about 6 ft. from the rear. The side framing at the corner posts was repaired; skid rails and belt rails



Repaired Transverse Bracing and Articulation Casting at the Front End of the Second Car

spliced or straightened where damaged at the ends; dead-light panels on both sides at the ends salvaged and re-applied; inside lining at both ends of the car renewed on ceilings, ends, and sides where damaged; new insulation applied, with Hairfelt over the trucks and Stonefelt in the walls and ceiling.

In the third car, or dinette-coach, the right front corner



Collision with a Steam Locomotive and Two Freight Cars on October 2 at Napier, Mo.

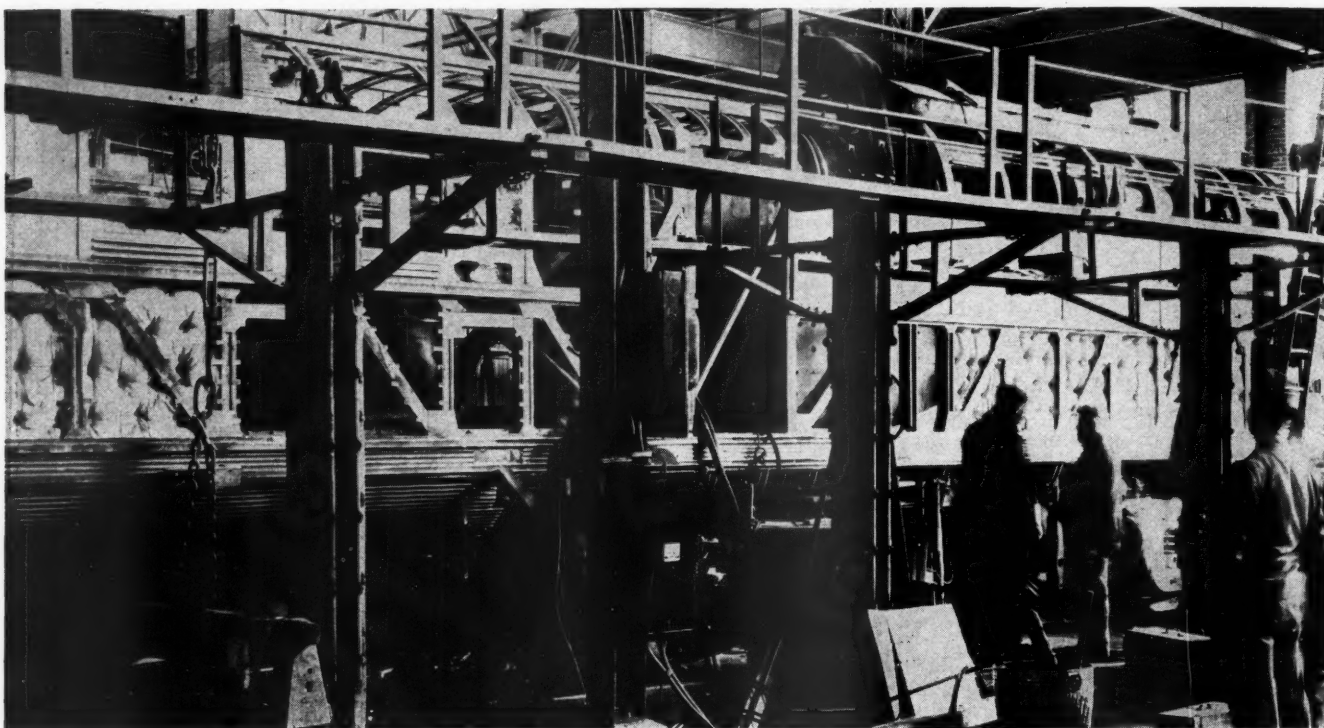
post was pushed in about 2 in., resulting in kinking or folding of the ends of the side fluted panels, first deadlight panel, part of the roof connection to the end, and some connections to the side-frame members, making necessary the following major work: Right-side front-section fluted panels removed, straightened and reapplied; skid rails and belt molding spliced and straightened; frame work cut out, new pieces spliced in, new gussets applied; corner post straightened and some parts renewed; deadlight panel repaired and reapplied; end roof corrugations straightened; range, broiler, etc., reconditioned and reapplied; framework in five coach seats straightened, or renewed where broken.

On the rear car the following work, only, was required: One window in the parlor section replaced; left bulkhead partition straightened without removing from car; all parlor chair frames reworked on account of being bent or

fluxed and inspected for any possible cracks or defects and then tested for true alinement.

On the power truck, a new front-end sill was made and welded into the truck frame; one new brake cylinder and two slack adjusters applied; two pedestal tie straps renewed; defective parts of the bolster center plate cut out and new parts welded in, machined and the bolster stress relieved; three-piece center pin applied new on account of the old one being destroyed; two new axles applied on account of old axles being bent; electric traction motors reconditioned at Aurora shops and re-applied; four outside brake hangers renewed. The only repairs needed on the second, third and fourth trucks were the replacement of broken brake cylinders and slack adjusters.

The Pioneer Zephyr was returned, to service on December 6, a better train in a number of respects than



Right Side of the Power Car While Being Repaired at Aurora Shops

broken; 17 coach-section chair frames repaired; one short panel of wainscot renewed on account of a puncture in the masonite.

Special Attention Given to the Trucks

Because of possible damage to trucks resulting from excessive shock and unpredictable stresses set up at the time of the collision, which might be overlooked in casual inspection, all trucks were completely dismantled and all parts except wheel assemblies and truck skirts sand blasted to permit minute inspection for any possible cracks or other fractures and distortions. Truck frames were accurately trammed in all directions and where any out-of-alinement occurred the frame was straightened. Truck bolsters, spring planks, swing-hanger parts and all brake-rigging members were likewise cleaned and inspected, any defective parts being repaired or replaced by new ones.

Damaged truck skirts were repaired. All axles which were reused had the wheels pressed off, axles magna-

when it was built in 1934. It is now being used in daily turn-around service between Kansas City, Mo., and Lincoln, Neb., and has given an excellent account of itself since the repairs were made.

THE TRANS-SIBERIAN route of the railroad system of U. S. S. R. is becoming of increasing importance for the transportation of soy bean products from Manchuria to Germany, according to the Bureau of Foreign & Domestic Commerce. Since the blockade of German ports has practically eliminated water transportation from the Orient, the Reich is importing an increasing percentage of its raw materials from the Japanese puppet state over the Soviet transcontinental line. This is true in spite of the fact that a shipment from Manchuria to Germany so routed necessitates two trans-shipments, the Russian lines being 5 ft. in gage while the German and South Manchurian lines are both standard-gage. It is also questionable whether the restricted supply of rolling stock of the Russian system will permit an increase in this type of traffic, inasmuch as the rail trip between Vladivostok to the seaboard at Latvia (some 6,000 miles) requires an average of 73 days.



Air View of the New Union Pacific Produce Terminal at Denver, Colo., Showing the Main Produce Buildings in the Foreground

Union Pacific Gives Denver Modern Produce Terminal

Provides spacious facilities which insure ideal conditions for the storage, conditioning and marketing of fruits and vegetables

ON July 26, 1939, the Union Pacific officially opened a new modern produce terminal at Denver, Colo., which is one of the most up-to-date facilities of its kind in the country and which provides produce dealers with ideal conditions for the storage, conditioning and handling of produce, with large advantages also to the public and the railroad. This new terminal, occupying approximately 30 acres of land, and including local growers' marketing facilities as well as those for l.c.l. and car-lot produce dealers, brought together formerly widely scattered facilities, public and privately-owned, many of which were inadequate or otherwise unsatisfactory, and was an important factor in the abandonment of an old city market which was antiquated and overcrowded, and far removed from railroad trackage.

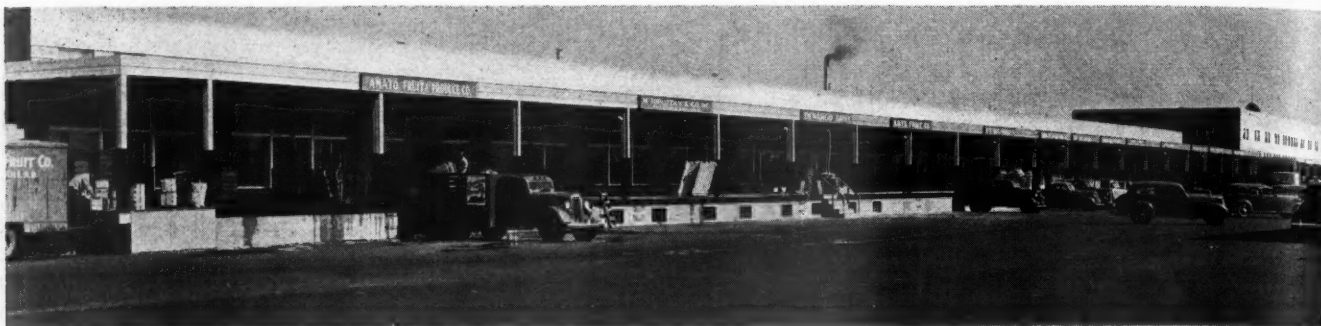
The new produce terminal, known officially as the

Denver Food Terminal Market, is located in the northern part of the city, near the junction of Broadway and Brighton boulevards, two important traffic arteries, and with access via a newly-built viaduct approach to Twenty-third street, an important cross-town thoroughfare. Thus located and approached, the new terminal has direct traffic connections with the northern, central and western parts of the city, is only about five minutes trucking distance from the business center, and, at the same time, is in an uncongested area which offers unlimited space for future expansion.

Laid out along parallel lines on a scale which precludes traffic congestion even during peak market activity, the new terminal facilities include essentially two large modern produce buildings, occupied by carload-lot dealers; a truckers' building, affording truck and produce housing facilities for wholesale distributors; an admin-



The Growers' Market Affords 304 Shed-Covered Stalls—The Administration Building is Shown at the Right



The One and Two-Story Produce Buildings During an Inactive Period

istration building, housing essentially the market master's office, a restaurant and toilet facilities; a 100-car garage for use by produce dealers; and a 2½-acre parking lot for use by both dealers and buyers as desired. Other buildings within the terminal area include the large modern warehouse of a wholesale grocery dealer, which is supplemented by a sizable, multiple-unit grocery jobbers building. In addition to these building units, and located in the center of the terminal area, is a growers' market for the display and sale of fruit and vegetables produced locally. This market, which is operated by the Growers' Public Market Association, occupies approximately 7.2 acres of land and is equipped with three long display sheds, providing a total of 304 stalls for individual farmers or producers.

All of these building facilities are segregated and served by paved driveways, 80 ft. or more in width, which are suitably striped into traffic lanes to insure the free movement of the hundreds of trucks which converge on the market during the peak grower sales period each morning. Furthermore, the terminal is served by an adequate track layout, affording two-track service to the two carload-lot produce buildings, in addition to team, hold, inspection and diversion tracks with a total capacity of 150 cars, all of which are served by wide paved driveways. The driveways throughout the terminal are of stone, consisting of a 6-in. crushed gravel base, topped with a 2½-in. oil-processed gravel wearing surface. All of the tracks are of heavy construction, employing rail of 90-lb. section or heavier, treated cross-ties, and a substantial ballast section of Sherman gravel.

Modern Produce Buildings

All of the buildings at the terminal are of the same general type of construction, employing reinforced concrete flat-slab construction in basements and first floors, steel frame superstructures, buff-color brick wall enclosures, and roofs of wood sheathing, covered with three-ply tar and gravel roofing. Further common features are large display and daylighting windows where required, and the extensive use of aluminum paint for trim and ceiling areas.

The two main produce buildings at the terminal, designed for multiple occupancy by produce dealers for the display, conditioning and sale of produce received in car-lot shipments, lie along the east edge of the market side; they are served along their rear sides by two house tracks, and along their front sides by one of the wide paved driveways referred to previously. One of these buildings, which is 225 ft. long by 66 ft. wide, is a two-story structure, with the first floor divided into 10 units. The other building is exactly twice as large in area, being 450 ft. long by 66 ft. wide, and is divided into 20 dealer units, although it is only one story high. Aside from



The Covered Platforms of the Produce Buildings Provide Large Space for Display and Loading

these differences, both buildings are essentially alike in layout and in the character of the facilities which they afford.

Both have concrete platforms continuously along their driveway sides, at tail-board height and 24 ft. wide, and both have similar platforms, at car-floor height, and 12 ft. wide, along their track sides. Throughout, these platforms are protected by steel-, or steel and timber-frame canopies, with wood decks covered with built-up tar and gravel roofing, which, in each case, slope backward toward the building face from a row of widely spaced columns at the platform edge. Thus, the driveway sides of these buildings afford each dealer large platform space, out of the weather, for display and trucking purposes, while the track side affords cover for car unloading operations with minimum trucking distance into the building. In both cases the platforms are well daylighted, this being intensified by the light color of the building face brick and the fact that the undersides of the canopies, as well as the building trim, are painted with aluminum paint.

Another feature of the faces of these buildings is the attractive store fronts provided on the driveway side, each with large guarded plate glass windows each side of wide double glass-paneled doors. On the track side, transom-height windows alone are afforded above and to the side of double wood doors, each fitted with a square glass panel at head height.

Both of the produce stores buildings have basements continuously beneath them, which, both front and rear, extend beneath the trucking platforms, affording storage and working rooms 102 ft. long. All partitions between store areas in the basement and on the first floor are constructed of 12-in. by 12-in. hard-surfaced, light-color tile, permitting ready adjustment with any changed

requirements of dealer tenants, with the exception of 8-in. brick fire walls which divide the smaller building into two distinct sections and the larger building into four separate sections. All first floor interiors are plaster finished, including built-in office areas with which the various units are equipped in accordance with the desires of the individual dealers, the only exception being the first floor ceilings of the one-story building, which are faced with one inch of Celotex insulation, attached to the underside of the roof rafters.

Insulated Storage Rooms

From the standpoint of dealers, the most important facilities afforded them in their store units include air conditioned cold storage rooms and special produce-handling equipment as required. The cold storage rooms provided, from one to four as required, are located either on the first floor or in the basement as best suits the individual tenants, and are generally of one-car capacity, although some are of larger overall size, partitioned into one-car units or smaller to permit greater flexibility in produce storage or conditioning processes. These rooms are fully insulated, employing a three-inch cork lining of four-inch tile exterior walls, four-inch cork ceilings, and three-inch cork floors overlaid with three inches of concrete as a protection course. Partitions are constructed of two inches to four inches of cork, depending upon the differential in temperatures to be maintained in adjoining areas. All of the storage rooms are finished with cement plaster both inside and outside, have electric lighting, and are equipped with large refrigerator-type doors.

For handling produce between the basement and the first floor, all of the dealer store units have elevator service, either individually or jointly with an adjacent unit, the elevators being of the automatic-electric type, with push-button control, and of 1700 lb. capacity. In addition, the banana dealer store units are equipped with either manually or electrically-operated monorail chain-type conveyors, which convey banana bunches directly from cars to the storage rooms, whether on the first floor

or in the basement. All of the store units, as required, are fitted with built-in platform-type scales.

The second floor of the two-story produce building, on both sides of a long center hall, is given over to brokers' offices, market assembly rooms, telegraph and messenger service rooms and a barber shop. All areas on this floor are well daylighted with windows, are finished throughout with plaster walls and ceilings and wood trim, have oak flooring, and are heated by steam supplied by the near-by yard power plant of the railroad.

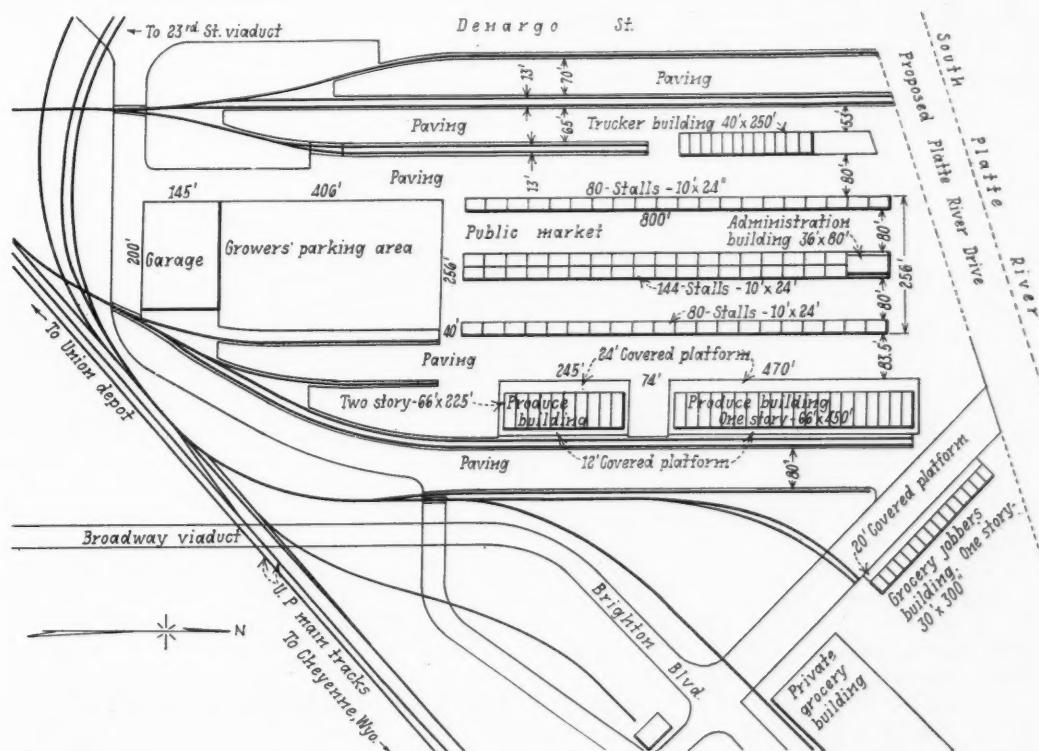
The grocery jobbers building, located at the north end of the terminal, is a one-story structure 300 ft. long by 30 ft. wide, which is essentially similar to the single-story produce building already described. This building, with a long, canopy-covered concrete platform on its front side, is divided into 15 individual store units, each 20 ft. by 30 ft. in area, and each fitted with attractive display window fronts with bright red trim. The platform canopy, unlike those already described, is of the shed type, consisting of a galvanized corrugated sheet metal deck, supported on light structural steel brackets cantilevered from the building face.

The truckers' building, located near the northwest corner of the terminal and used essentially by local produce distributors, is a one-story brick structure 250 ft. long by 40 ft. wide. This building, with a concrete floor, is divided into 12 truck areas, each 20 ft. by 40 ft., and



The Produce Jobbers Building at the North End of the Terminal

General Layout Plan of the Buildings, Tracks and Driveways at the Union Pacific's New Produce Terminal Market at Denver, Colo.



is provided with a canopy-covered low platform along its front face. The truck entrances, all on the rear side, are each equipped with vertical-lift wood doors.

The large garage at the terminal, located at the extreme south end of the layout, is a one-story structure, in harmony with the other produce buildings, which covers an area 200 ft. long by 145 ft. wide. This building, which affords storage and servicing facilities for more than 100 trucks, has a concrete floor, a structural steel frame, and a bowed, wood-covered deck, supported on light steel trusses. Entrance to and exit from this unit are at the west end only, where two large RoL-ToP doors have been provided. Twin gasoline pumps at the garage entrance service trucks as desired, these supplementing a complete gasoline filling station located on the terminal site near the main entrance from Broadway.

Growers' Market

The growers' market, which is used by growers in the large fruit and vegetable producing areas contiguous to Denver to display and sell their crops, is laid out centrally in the terminal area, and affords essentially three long display and sales sheds surrounded by wide driveways, an administration building providing restaurant and toilet facilities, and an office for a market master. The sheds, which are of steel frame construction, with open sides and galvanized, corrugated metal roofs, lie parallel with each other, and together afford a total of 304 growers' stalls, each 10 ft. wide by 24 ft. deep. The two outside sheds are one stall in width and are 800 ft. long, while the center shed is two stalls wide and 720 ft. long. Both shed areas are paved with asphalt, are electric lighted for early morning operations, and are equipped with platform scales and running water, the latter being available at outlet boxes recessed in the pavement at intervals along the column lines. Furthermore, to facilitate truck movements about the market during early hours, all of the driveways within the market area can be floodlighted by means of electric lights, fitted with enamel-lined, specially-shaped reflectors, mounted at intervals along both sides of the roof of the central growers' shed.

The administration building is a brick-faced, one-story structure 80 ft. long by 40 ft. wide, located at the head end of the central double-stall growers' shed. In fact, the metal roof of this shed is continued over and pro-

vides the roof for the building, unaltered in shape or character, except that it is insulated on its underside. The main area in the administration building is occupied by a restaurant and kitchen, although adequate space is provided for an office for the market master, and for toilet lavatory facilities for both men and women.

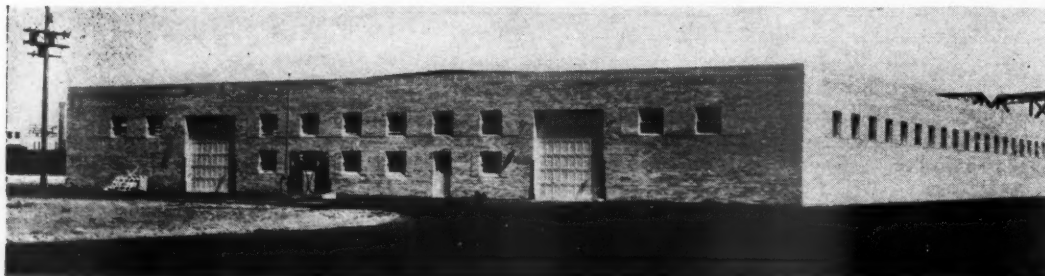
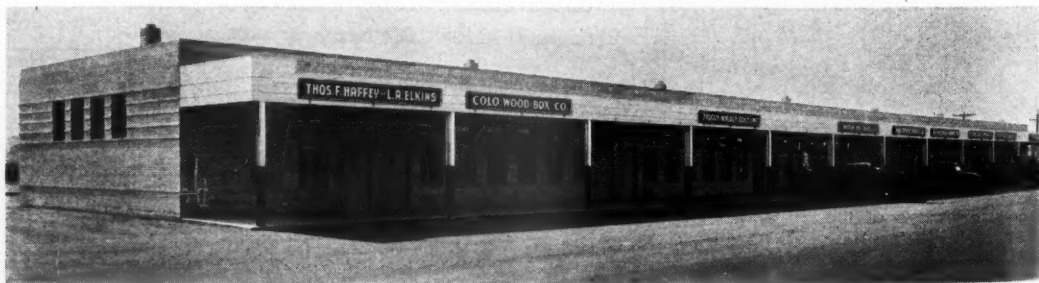
The restaurant, which will seat approximately 125 patrons at one time, is laid out essentially in booth arrangement, although it provides some open tables and a long bar equipped with leather-upholstered stools. In every respect it is modern in appearance and appointments, with buff-color plaster walls and ceilings, natural walnut-finished furniture and trim, a linoleum-covered floor and the latest in service facilities, including a centralized refrigeration plant for all cooling purposes. Furthermore, the entire dining area is air conditioned, the compressor unit of the system being located in a small basement area located beneath the kitchen and market master's office, which also houses a small steam heating boiler.

Refrigeration and Air Conditioning

One of the outstanding features of the new produce terminal is the facilities afforded car-lot dealers in the two produce warehouses for the cold storage or ripening of produce to meet market demands and to present it in its most salable condition as to weight, texture and flavor. These facilities, as already pointed out, include insulated storage rooms, usually of one-car capacity or less, arranged singly or in multiple to meet requirements, and equipped for cooling, heating, humidification, dehumidification, circulation and ventilation, together or in special combination as conditions or the proper handling of special classes of produce may require. Many of the rooms are equipped for cold storage alone, with or without ventilation or air circulation, whereas other rooms, such as those for the holding and ripening of tomatoes, are equipped for heating alone or both cooling and heating, in combination with humidification, the latter being highly essential in the holding or ripening of this class of produce because of its high normal water content, and especially so in a climate such as prevails at Denver, with an average relative humidity of only 30 to 50 per cent.

The banana rooms at the terminal, of which there are a total of 11 in the different store units, are equipped

**The Truckers' Building
Affords 12 Large Storage
Units**



**The Garage, Which
Provides Facilities for
Servicing More Than
100 Trucks, Is Equipped
With RoL-ToP Doors**

for all phases of air conditioning, refrigeration being required to hold the green fruit; heating being necessary in the ripening process; and humidification, ventilation and circulation being essential at least at certain stages to insure best color and flavor conditions and to prevent loss of weight in the fruit.

Refrigeration in all of the different rooms is furnished by Frigidaire equipment, employing from 1½ to 5-ton compressors, and either ceiling-hung or floor-mounted cooling units of the capacities required, both with forced air circulation. In all general cold storage rooms, including those for the holding of tomatoes, the ceiling-type units were installed, singly or in duplicate, as required, these units including essentially cooling coils and an air circulating fan, housed together in a metal cabinet. The floor-type cooling units, on the other hand, which are of larger capacity and better adapted where ceiling area is not available, were used in all of the banana rooms, these units including essentially cooling coils and a motor-operated fan housed in an upright sheet metal casing, equipped with air inlets at the bottom and air outlets at the top. Where these units are employed, the cooled air is distributed uniformly throughout the rooms through ceiling ducts with adjustable side outlets. Where ventilation is desired in addition to circulation, these units are given connection with adjustable fresh air ports in the room walls near the floor, while used air is discharged through adjustable openings in the walls near the ceiling.

The complete refrigeration equipment at the terminal to the present time includes ten 1½-ton compressors, or ice machines, eight 3-ton compressors, ten 5-ton compressors, 11 floor-mounted forced air coolers, or evaporators, and 78 ceiling-type forced-air units of various capacities. All condenser cooling water is supplied from shallow wells equipped with automatic-electric pumps, except that each installation is served by city water, which cuts in automatically with any failure of the well supplies.

Heating and Humidification

For heating those storage rooms in the two-story produce building requiring it, steam is passed through independent unit heaters or through special heating coils installed in the cooler-blower units, whereas all rooms requiring heat in the one-story produce building, which is not served by steam, are heated by floor-mounted gas heaters, the operation of which is accompanied by forced air circulation. Both the heating and cooling operations are thermostatically controlled and interlocked, so that precise temperatures can be maintained and so that heating and cooling cannot take place at the same time. Furthermore, the arrangement is such that the cooler unit fans cut in automatically and continue to operate during either cooling or heating operations, making the one fan serve for circulation in both cases. Another feature of the temperature control equipment is that all thermostats are located on the outer faces of the storage room walls, where they can be set and read without entering the rooms, and are accompanied by indicator lights which show at a glance whether cooling or heating is taking place, and whether the circulating fan is in operation.

Humidification, where desired, which includes all tomato and banana rooms, is of the water-spray type in the case of the rooms in the one-story produce building, whereas in the two-story building this system is supplemented by steam humidification, which is used as desired during heating cycles. The water spray system employs fine spray heads mounted near the ceiling, which

can create almost complete saturation of the air, whereas the steam system admits live steam into the rooms under regulation, the outlet jet being located usually in the air intake of the circulating unit. Both systems of humidification are manually controlled.

Work on the new terminal was started on January 25, 1939, and, under an accelerated program to permit the handling of the year's peak movement of produce, which extends from May to October, the growers' market facilities were completed and opened officially on May 22. As early as June 5, some of the car-lot produce dealers moved into their new quarters in the produce buildings, and the official opening of the terminal as a whole took place on July 26.

Under the plan of operation adopted at the terminal, car switching is afforded regularly twice a day, usually between 4 and 5 a. m., and again about noon, but extra switching is provided as necessary. Dealer operations and sales are continuous at the pleasure of the individual dealers, but all growers' sales are restricted to the early morning hours, beginning at 6 a. m., upon the sounding of a siren by the market master.

The construction of the terminal was carried out under the immediate direction of J. L. Haugh, vice-president of the Union Pacific, assisted in engineering matters by C. W. Pitts, division engineer at Denver. Operation of the terminal is under the direction of W. T. Price, assistant traffic manager, at Denver.

I. C. C. Wipes Out Milwaukee Equities

WASHINGTON, D. C.

FORGING another link in its chain of "depression-proof" capital structures for the nation's railroads, the Interstate Commerce Commission on February 27 made public its final plan of reorganization under section 77 of the Bankruptcy Act for the Chicago, Milwaukee, St. Paul & Pacific. Following the same general lines of Examiner M. S. Jameson's proposed report, reviewed in the *Railway Age* of November 12, 1938, page 708, except that it rejects his proposal to give the preferred stockholders warrants to purchase new common, the commission's final report finds that both the common and preferred equities have no value and reduces the capitalization of the company, including the Chicago, Terre Haute & Southeastern, from \$744,760,713 to \$548,533,321. Total annual fixed charges would be drastically cut from \$23,739,279 to \$4,269,654.

The final plan includes a provisional arrangement for the consolidation with the parent company of the Chicago, Terre Haute & Southeastern, but the commission said that the terms for the treatment of these bondholders would have to be accepted by substantially all of the holders because of the fact that that company is not a debtor under section 77 of the Bankruptcy Act.

Plan Effective January 1, 1939

The plan would be effective January 1, 1939, as to all provisions except those relating to the treatment of the Terre Haute bondholders, who would get new bonds with their liens undisturbed but with modifications made to make the treatment conform basically with that provided for the Milwaukee bondholders.

Provisions included in the plan for dealing with the Terre Haute bondholders include modification of the four existing mortgages of the Terre Haute property so that

the bonds under each mortgage will bear fixed interest at the rate of 2.75 per cent a year and contingent interest at the rate of 1.5 per cent. The liens under the new mortgages would be undisturbed, and a new lease would be written under which the Milwaukee would guarantee the principal and interest on the Terre Haute income mortgage bonds. In case substantially all of the Terre Haute bondholders do not accept the plan, provision is made for the rejection of the present lease of the line by the Milwaukee without prejudice to the negotiation of a new lease.

Boyd Case Doctrine Reaffirmed

The commission notes that counsel for the preferred stockholders' protective committee had argued that section 77 was enacted on the composition theory, that the doctrine of the *Boyd* case does not apply, and that the readjustment of debts can be arranged with retention of ownership by the stockholders. (In the *Boyd* case, the United States Supreme Court had held that in a reorganization all the secured creditors must be taken care of before the equity could share in any of the assets of the new company. This doctrine, which the commission has been following, is further substantiated in a recent case of *Case v. Los Angeles Lumber Products Company*, where it was held by the Supreme Court that although a majority or even as much as 90 per cent of the bondholders agreed to allow the equity to participate, if the bondholders' claims exceeded the assets, the court must invalidate the plan.)

"We are required," says the decision, "under section 77 (e) to make findings in connection with the question of submitting the plan to the stockholders, and in doing so we must consider the aggregate amount of claims of the bondholders and other secured creditors in the light of the earning power of the system, past, present, and prospective, and all relevant facts. Unless an equity for the stockholders is established we are unable to find justification for their participation in the plan." The commission then goes on to say that it finds the equity of the common and preferred holders has no value and should not participate in the allocation of new securities.

The capital structure of the new company would consist initially of \$108,780,470 of fixed interest debt, \$115,257,480 of contingent interest debt, \$108,675,971 par value of preferred stock and 2,158,194 shares of no par common stock, which is computed at \$100 a share. In addition to the \$4,269,654 of fixed charges, there would be contingent interest charges of \$5,219,480, sinking fund payments of \$543,394, and a mandatory capital fund of \$2,500,000 annually.

Equipment trust obligations, totaling \$33,322,999 would remain undisturbed under the new plan, but series A, C, D, E, F, G, H, J, K, and L, maturing between April 1, 1935, and December 31, 1940, and not fully paid will remain undisturbed as to lien and interest but the principal will be paid at the rate of 20 per cent of each installment annually in accordance with the arrangement heretofore followed by the trustees. Other issues will be paid when due.

Allocation of New Securities

The plan makes the following allocation of securities for each \$1,000 existing bond or principal of claim including interest accrued to December 31, 1938:

Reconstruction Finance Corporation loans with interest totaling \$11,947,164 would receive \$1,000 in new first mortgage four per cent bonds; Milwaukee & Northern first 4½s, \$734.12 in new first 4s and \$314.62

in new 4½ per cent income bonds; Milwaukee & Northern consolidated 4½s, \$262.19 new first 4s, \$367.06 of 4½ per cent income bonds, \$209.75 of income series B convertible bonds, and \$209.75 of preferred stock; Milwaukee series A 4s, \$279.30 of new first 4s, \$391.01 of new 4½ per cent income bonds, \$223.44 of 4½ per cent income B convertibles and \$223.44 of preferred stock; Series B 3½s, \$275.70 of new first 4s, \$385.99 of 4½ per cent income bonds, \$220.56 of 4½ per cent income convertibles, and \$220.56 of preferred stock; Series C 4½s, \$283.17 of first 4s, \$396.44 of 4½ per cent income bonds, \$226.54 of 4½ per cent income convertibles and \$226.54 of preferred stock; Series D 4½s, \$283.51 of new first 4s, \$396.92 of 4½ per cent income bonds, \$226.81 of 4½ per cent income convertibles, and \$226.81 of preferred stock; Series E 4¾s, \$285.62 of new first 4s, \$399.87 of 4½ per cent incomes, \$228.50 of income convertibles, and \$228.50 of preferred stock.

Holders of the 50-year 5s of 1975 would receive for each \$1,000 bond and interest \$179.38 of new 4½ per cent income convertibles, \$717.50 of preferred stock and 2.99 shares of new no par common stock.

The holders of the Milwaukee's convertible adjustment mortgage 5s would get approximately 9.78 shares of new no par common stock, such allotment including a provision for a share in the debtor's free assets.

The Chicago, Milwaukee & Gary first 5s would get approximately 11.87 shares of new common stock. Holders of unsecured claims finally allowed by the Court would receive for each \$1,000 of claim 0.7 share of common stock.

First Mortgage Bonds to Be Issued

The plan also provides for the issuance of first mortgage bonds which would be dated January 1, 1939, and mature January 1, 1989, and bear interest at the rate of four per cent. Approximately \$53,923,171 of these bonds would be issued immediately in settlement of the existing claims of creditors, and an additional \$10,000,000 may be issued to provide for reorganization expenses, working capital, and necessary additions and betterments. There is also a provision that additional first mortgage bonds may be issued later for refunding or for capital requirements with certain limitations.

The general mortgage 4½ per cent income bonds would be issued in two series, A and B, the latter series to be convertible into common stock. It is provided that interest on both series would be cumulative up to a maximum of 13½ per cent. The series A bonds would be issued in the amount of approximately \$57,256,669, while there would be outstanding \$51,422,111 of the series B, convertible income bonds.

The Terre Haute bonds, as modified by the supplemental indentures, would be effective approximately as of the same date as consummation of the plan, and the maturity of these bonds would be on the same date as that of the first mortgage bonds.

The new preferred stock would be authorized in unlimited amount subject to the laws of the state or states in which the new company is incorporated. Approximately 1,086,760 shares with a par value of \$100 each would be issued in the reorganization.

Common Stock Unlimited in Amount

The plan provides that the new common stock shall be unlimited in authorized amount, subject to such limitations, if any, as may be provided in the charter or the laws of the state or states in which the new company is

(Continued on page 417)

Carriers Complete Wage Case

Labor presentation gets under way with Keller testimony
on behalf of maintenance of way employees

WASHINGTON, D. C.

THE past week saw the carriers' case before the Railroad Industry Committee completed and railroad labor's begun, with the latter group attempting to show that wage differentials for section men are the result of geographical discrimination rather than lack of finances on the part of certain individual companies. The Railroad Industry Committee of the Wage and Hour Division, Department of Labor, is in the second week of hearings to determine its recommendations as to future minimum wages on the railroads (up to a possible level of 40 cents an hour) which "will not substantially curtail employment."

During the week the committee heard from E. E. Norris, president of the Southern, who gave a cautious view of the prospects of business for the coming year and warned the committee that a reduction in employment will be the immediate effect of any increase in the present minimum hourly wage.

Labor's case for a 40-cent minimum for the entire industry was launched by L. E. Keller, director of research for the Brotherhood of Maintenance of Way Employees, who presented a large number of exhibits designed to convince the committee that it should set the maximum rate permitted under the law. He was frequently questioned by the railroad labor counsel, Frank L. Mulholland, who is conducting the case for the brotherhoods.

List of Witnesses Testifying

Among the others testifying for the carriers were: J. P. Morris, general mechanical assistant of the Atchison, Topeka & Santa Fe; J. E. Carroll, supervisor of tools of the Southern; F. A. Weatherford, general mechanical inspector of the Seaboard Air Line; H. D. Pollard, receiver of the Central of Georgia; H. R. Safford, senior executive assistant to the trustees of the International-Great Northern and the Gulf Coast Lines; F. B. Cullen, vice-president of the Cullen-Friedstedt Company of Chicago; E. A. Craft, assistant to the executive vice-president of the Texas & New Orleans; R. M. McCraith, statistician of the Bureau of Information of the Southeastern Railways; Dr. J. H. Parmelee, director of the Bureau of Railway Economics, Association of American Railroads; and H. H. Talboys, manager of the railroad equipment department of the Mt. Vernon Manufacturing Company.

The first witness at the February 22 session of the committee was Mr. Morris, who briefly described the status of mechanization in the shops on the Santa Fe. He told the committee that great strides had been made in mechanization of shop work during the past decade and that there still remained a large field in which machines could be used to displace men if the wage rates increased to a point where such installations would become economical. He warned the committee that a further increase in the wages of certain shop employees might force his road to increase its investment in modern machinery.

Next came Mr. Carroll, who outlined for the committee the condition of the shops on the Southern. In Mr.

Carroll's opinion, it would take 10 years to thoroughly modernize and mechanize the Southern's shops. He also warned the committee that if a higher wage rate should go into effect, 85 to 90 men would be displaced in the Southern's shops by further mechanization. An increase in the minimum wage to 40 cents an hour would cost the Southern system \$900,000 annually in increased wages, he said, and the increased bill for the mechanical department would amount to \$100,000 a year. This increase, he asserted, would have to be offset by an increase in mechanization and the reduction of mechanical employees.

A similar story was outlined to the committee by Mr. Weatherford, who gave the committee his view of shop conditions on the Seaboard Air Line. An increase to 40 cents an hour as the minimum for all employees would cost his road \$1,109,147 a year, said Mr. Weatherford. As a general proposition, the Seaboard official felt that increased labor costs would mean increased shop mechanization.

The concluding witness at the February 22 meeting was Mr. Pollard, who made the prediction that the abandonment of branch lines will result if any increase is now made in the minimum hourly wage on the country's railroads. "Any increase in the minimum wage would have a very serious effect on branch lines," asserted Mr. Pollard. "The Central of Georgia has a number of branch lines. Some of those lines are almost at the point where their abandonment is required, since the expense of operating them now very closely approaches their value to the system. If the minimum wage is increased the increased operating expenses applicable to those lines would almost certainly require their abandonment. We have already abandoned two lines of about 60 miles, and we have several other branches regarding which we are quite sure that any material increase in expense will bring abandonment."

Net Income Was Negligible

"The receiver's net income for the Central of Georgia for 1939 was negligible. It would have been wiped out by a one cent increase in the minimum wage. With the prospects now before me I have no reason to expect that 1940, or future years, will be materially better than 1939. Certainly, I could not afford to make my plans with any definite expectation of better years."

Mr. Pollard also told the committee that if the minimum wage is increased, he would have to buy more machines to replace men on his line. He said he would be able to purchase such machines on time and pay for them out of savings which would accrue from the use of them.

Asked by Mr. Mulholland whether the bonds and interest cost of his road could ever be paid, Mr. Pollard replied, "Yes, if the time ever comes when other forms of transportation are regulated like the railroads." At this point Mr. Mulholland sought to show the committee by a series of questions that the trouble with the railroads is the effect of unregulated competition and

that the labor unions are supporting a bill in Congress at the present time (S. 2009, the omnibus transportation bill, now in conference) which would cure some of these evils. Mr. Pollard admitted that such a bill was in conference and expressed the hope that Mr. Mulholland would try to get the conferees to include in it a provision requiring pipe lines to obtain from some public body a certificate of convenience and necessity similar to that now required of railroads and trucks and buses.

Reduction in employment will be the immediate effect of any increase in the present minimum hourly wage on the railroads, the committee was told at the beginning of the February 23 session by Mr. Norris. "In the event of any substantial increase in our expenses due to an advance in the minimum wage, I would think it my duty to attempt to reduce the Southern labor cost by a corresponding amount," Mr. Norris said. "That could only be done by reducing the number of employees. It is true that last year, 1939, the net income of the Southern was \$6,500,000. But for the eight-year period 1932-1939, inclusive, the net deficit was \$5,171,331.

Increase Due to War Conditions

"The showing for the year 1939 was largely due to a sharp increase in business beginning with the outbreak of the war in Europe. To some extent it was due to panic buying. We hope that 1940 will be a good year, but we can have no assurance that it will be, and it would be most unwise not to put our ship in better shape to withstand future storms of the severity of the one we have experienced since 1930; and the first step in that direction is restoration of the credit of the company. So, even if we should make a profit in 1940 and again in 1941, I would still think it necessary to keep our expenses down."

"With respect to labor," said Mr. Norris, "I have no apologies to make. In general our laborers are better paid and more content and more stable than other labor of similar class in the communities in which we operate. Over a period of many years this has been true, according to my personal observation. Except during federal control we never have had a labor shortage in the field of unskilled or semi-skilled labor. We can always get a sufficiency of men. They are glad to get work with us, for generally we pay them over and above the 'going rate' of labor in the communities that they are employed."

"Our laborers are making more than they made in 1928 and 1929. Since then living costs have gone down materially. Since 1937 our laborers have received a substantial increase in pay. A great many of the men who are now receiving 30 cents per hour have received an increase of at least 30 per cent since July, 1937. All of the men receiving less than 40 cents per hour have received an increase of not less than 14.7 per cent. I would like to underscore the next statement. Since July 31, 1937, the employees have received from the Southern in the form of increased pay approximately \$8,823,151, and in the form of retirement and unemployment insurance benefits \$5,881,620 paid by the railway company. In that period, that is since July 31, 1937, the total net income of the Southern, including the \$6,500,000 of 1939, has been \$5,222,306.

"What of the Stockholder?"

"In other words, the amount which labor has received as additional increase in pay and in benefits since July, 1937, is more than double the total net income of the Southern earned during that period."

"I think," continued Mr. Norris, "that management

must somewhere come to a stopping point. What of the stockholder? During the last eight years, while labor has been receiving pay increases, the stockholder has not received one cent. I believe I am entirely justified in my decision and determination to now try to save some part of any profit for the Southern stockholder.

"The laying off of men is the hardest task that faces management. The decision to lay off men is deferred as long as possible. I am slow to approve a program for the purchase of machines that will supplant men, and only where the incentive is great will I do so."

"But I can say," he concluded, "that I am convinced that at this time the Southern has gone as far with labor pay increases as it should be called upon to go. If the minimum wage is now increased, I should feel compelled to reduce expenses by an amount as nearly equal to the increased pay cost as may be possible. Confronted with such a situation, whenever I could be shown by my department heads that savings could be made by the purchase of machines and further mechanization of any part of our plant, it would be my policy to approve such purchase."

Commenting on the recent increase in business during the last half of last year, Mr. Norris said that the prospects for the immediate present don't look any too good. After saying that he believed the increase was due to speculative buying of war materials, he went on to assert that "The honeymoon is over," implying that the Southern had had a sudden spurt in business, but that it was now beginning to fall off.

Says, "Barn is Burning Down"

Again, Mr. Mulholland brought out the fact that the railroads' ills were due to unregulated competition and subsidization and that this would be corrected by the legislation now pending in conference. Mr. Norris granted that the bill provided for a board to make a study of subsidization and that such a study might be made, but meanwhile, he said, "the barn is burning down" and something must be done now or there won't be any need to study subsidization when the railroads are ruined financially.

He also called the committee's attention to the fact that the \$1,000,000 increase in the wage bill which the 40-cent minimum would bring about for the Southern is equivalent to adding that amount in interest charges which, capitalized at four per cent, would increase the company's capital structure by \$25,000,000. "I wouldn't think of adding that amount to our bonded indebtedness," he concluded.

The next witness was Mr. Safford, who told the committee that both the railroads and the employees will be the losers through any increase that may be made in the minimum hourly wage.

"Men have been displaced by machines throughout the entire history of railroading," he pointed out. "They were displaced yesterday. They are being displaced today. They will be displaced tomorrow. Yet, all things being equal, or even somewhat less than equal, we greatly prefer men to machines. We would like to keep our employees, to have them available in case of emergency, to benefit from the greater flexibility of manpower, to have them remain as self-supporting and contributing citizens of their communities. Similarly, our employees would like to keep their jobs.

"But when in any particular case manpower becomes or is made an increasing element of cost there is but one recourse: To reduce manpower, either by such general reductions in force as can be made; by the substitution of machinery for men as rapidly and as completely as possible; or by a combination of these

two methods. That is what will be done. Both the railroads and their employees will be the losers."

Credit of All Roads is Good

Another witness appearing for the carriers was Mr. Cullen, who told the committee that his company had sold burro cranes to 60 to 65 roads whose financial condition varied from good to very poor. He also said that his company had never refused to sell a crane to a railroad company and that lately several cranes had been sold on a 12-months installment basis.

The February 23 session was concluded with brief testimony for the carriers by Mr. Craft and Mr. McCraith, and Dr. Parmelee, who was recalled to make several corrections in the record. Mr. McCraith presented detailed statistical exhibits designed to show the number of employees in the southeastern part of the country who are now receiving less than 40 cents an hour.

When hearings were resumed on February 26 the railroads presented only one witness before labor began its case. The witness was Mr. Talboys, who also told the committee that his company had sold such labor saving devices as power nutters or track wrenches to from 80 to 100 railroads and that some of these sales had been on a 12-months installment basis.

Keller Leads off For Labor

Mr. Keller led off for the labor unions, occupying the stand on February 26, 27, and 28. He began his testimony by saying that he hoped to offer to the committee an antidote for the discouraging picture of the industry that they had just heard from the carriers. "The industry," he asserted, "is not on its deathbed. It is still a living and breathing organism with plenty of life in its body." He went on to say that this country is now getting the best railroad service in the entire world.

Mr. Keller's first exhibit, one in a long series which he presented, showed that the minimum hourly wage for maintenance of way men over the country as a whole varied from a low of 18½ cents on the Meridian & Big Bee River to 52 cents on the electrified portion of the New York Central. These rates, he explained, are negotiated rates, the 18½ cent rate now having been displaced by the 30-cent minimum required by the Fair Labor Standards Act. The average wage over the whole of the country is 40.7 cents an hour, he said.

He then charged that section men's wages are nothing more than "a hodge-podge" and are a result of geographical discrimination rather than the lack of ability of certain roads to pay higher wages. "How can the Louisville

& Nashville afford to pay different wages at different mileposts and towns?" he asked.

At the beginning of the February 27 session a short colloquy occurred between Chairman Osborne and Mr. Keller. The labor statistician had been repeating continually the statement, "I want to repeat that this same work is being done by the same class of men with the same tools and materials and under the same conditions on the same road for different wage rates." He was referring to the wide differentials which exist on different parts of the same railroad system in regard to the payments made to section men.

Mr. Osborne asked: "Where did you get that statement?"

"I got it from the *Railway Age*," replied Mr. Keller, "so I think it is authoritative enough."

Budgets Like Resolutions

Discussing testimony of carrier witnesses to the effect that maintenance budgets are fixed for the year, Mr. Keller contended that they were like New Year's resolutions, "they are made to be broken." It is the contention of labor that the employment of maintenance of way men depends entirely upon the volume of traffic and not upon the wage rate. Exhibits were offered by Mr. Keller to show that labor saving devices had been in use on the railroads for considerable time prior to 1926. "The carriers," he said, "are threatening to do tomorrow what they are doing today and have been doing for many years past."

Another exhibit was introduced to show the committee that other railroad employees were paid substantially the same over the whole country, and Mr. Keller argued that this group should not be given different treatment than the other brotherhoods. Any differences which exist in the rates of pay of other men in the industry, he asserted, are between individual roads and not between different sections of the country. To bolster his argument that section men in one part of the country should not be treated differently from those in another part, he introduced a copy of the Railway Labor Act, which, he said, frowns upon sectional treatment of employees.

The committee was also told that there exists in the maintenance of way group a pronounced instability of employment, which, in Mr. Keller's view, could be corrected by the railroads if they were willing to do so. He then pointed out four reasons for this instability. They were:

1. Seasonal character of many of the repairs.
2. Variations in the road's earnings.
3. The practice of contracting work out to contractors.
4. Shortening of the work week.

* * * * *

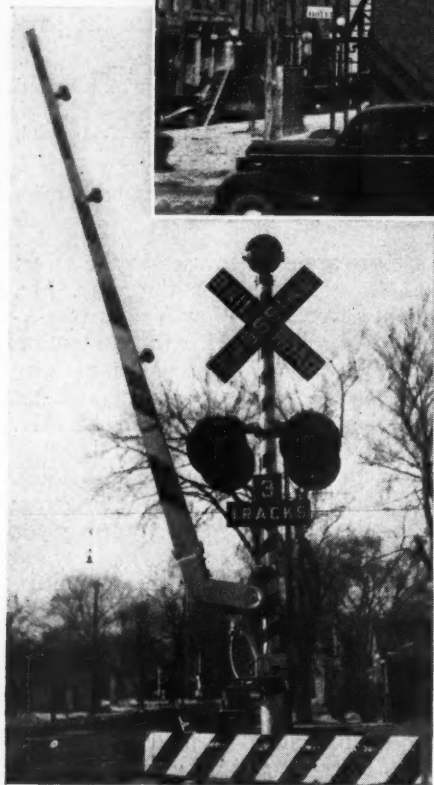


Photo by R. G. Knight

Union Pacific Streamliner Pauses at Laramie, Wyo.



Left-Gate Tower Between
Pulaski and Broadway,
Looking North. Lower Left
—Typical Gate and Flash-
ing-Light Equipment



Gates at Seven Alton Crossings

Complete 24-hr. protection for entire town of Lincoln, Ill., accomplished by closing five crossings and installing short-arm gates with signals at the remaining seven

A PROGRAM of controlled crossing protection that is in service 24 hr. every day at all the crossings in the entire town was recently completed on the Alton at Lincoln, Ill., a city of 15,000 population. The double-track Chicago-St. Louis main line of the Alton passes through the center of the city. In the horse and buggy days when this town was growing, practically every new street was extended across the tracks, with the result that there were 12 crossings in the area involved in the recent studies. The railroad traffic includes 14 passenger trains and 15 freight trains daily over the crossings.

Prior to the recent improvement, pneumatic gates were in service at Pekin, Broadway, Pulaski and Clinton streets. These gates were controlled from two separate towers, and gatemen were on duty 17 hr. daily. Flagmen were also on duty 10 hr. daily at Decatur and Tremont streets. At Keokuk street, which is also a part of U. S. Route 66, flashing-light signals were in service. Five other crossings, Davenport, Burlington, Lincoln, Peoria and Delevan streets, were protected by standard crossbuck signs.

A rather high accident record at the crossing led to conferences between city, state, federal and railroad officers. A study showed that the street traffic over some of the crossings was comparatively light and the expense for the installation of controlled protective devices at these points, therefore, was not justified. In the vast majority of instances, drivers used the crossings on the more important streets. Further study indicated that the

lengths of routes between points on opposite sides of the tracks would not be increased, except in rare instances, if certain crossings were closed and the comparatively few instances in which direct routes via these crossings were involved would require only a small increase in time on the part of the few drivers concerned. Therefore, in order to make possible a program of crossing protection for the whole town, agreement was reached to eliminate the crossings at Delevan, Lincoln, Peoria, Burlington and Davenport streets, and to construct barricades at these streets, similar to that shown in one of the illustrations.

By thus reducing the number of crossings, it was possible to finance the installation of the most modern complete type of protection at the remaining crossings, with an efficient automatic-manual control arrangement. The protection at each of these crossings includes two complete assemblies on masts, located at the right-hand side of the street for the approach to the track from each direction. Each assembly includes (1) an electrically-operated gate, (2) two sets of flashing-light signals, which are mounted back-to-back so that one set is directed along the street for each direction, (3) a reflector-button "3 TRACKS" sign, (4) a standard reflectorized crossbuck sign, (5) and an electrically-operated crossing bell. The bells serve primarily as warning to pedestrians who may not be observing the signals, although the sound is loud enough to direct the attention of automobile drivers to the signals and gates, this being especially true in warm weather when car windows are open. Each



Train Passing the Keokuk Street Crossing

gate arm is equipped with three red electric lamps with a lens on each side to direct the light in each direction along the street. When the protection is in operation, the lamp near the tip end burns steadily, while the other two are flashed alternately.

The term "short-arm," as applied to these gates, means that each arm is just long enough to extend across the right-hand lane of traffic; thus, when lowered, it obstruct the path of vehicles approaching the track. No gate is provided on the opposite side of the street, opposite the gate mentioned above, because such a gate might, in some instances, be lowered at a time when it would obstruct the path of vehicles when attempting to depart from the crossing. This feature is desirable for gate installations which are controlled automatically, while, for manual control, it permits the gates to be lowered at any time without the possible hazard of trapping vehicles. Therefore, it is not necessary that gatemen be located where they can watch the street traffic. The result is that one gateman can control the gates at several crossings, in a manual control arrangement.

The combination of the short-arm gate and standard flashing-light signals and bells is based on the principle that the signals and bells provide warnings of the approach of trains, and the gate arms, when lowered, form a barrier in the path of those erratic individuals who, through ignorance or deliberate intent, endeavor to beat a train across the tracks, regardless of the fact that the signals are displaying stop indications. The gates also serve to prevent drivers who have been waiting for the rear of one train to pass, from dashing onto the tracks in the path of a train approaching from the opposite direction on the other track. Signals, of course, continue to operate, but in too many instances hasty drivers fail to note this fact, or they take a chance. The idea of using the so-called short-arm gate in combination with standard flashing-light signals was developed on the Alton, an installation being placed in service on that road at Lockport, Ill., in 1936.

Operation of the Protection

When operation of the protection at a crossing is initiated, the flashing-light signals, gate lamps, and the bells are placed in operation. At the expiration of a five-second pre-warning interval, the gates start to lower

and assume their horizontal position across the street in approximately ten seconds. The five-second pre-warning period, plus the comparatively slow movement of the gate, as compared with "slamming" it down, improves the protection and also reduces, to an astonishing minimum, the number of instances in which vehicles are driven against the gates to break them. During the

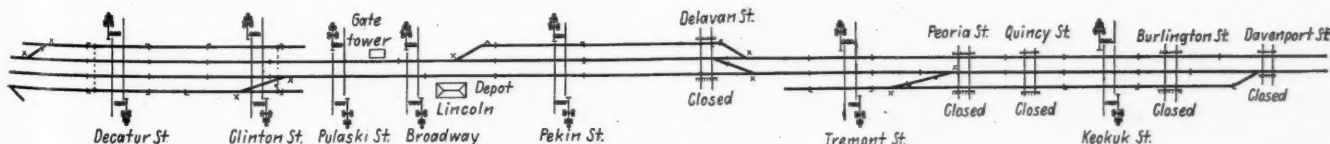


Five Streets Were Blocked Off By Barriers

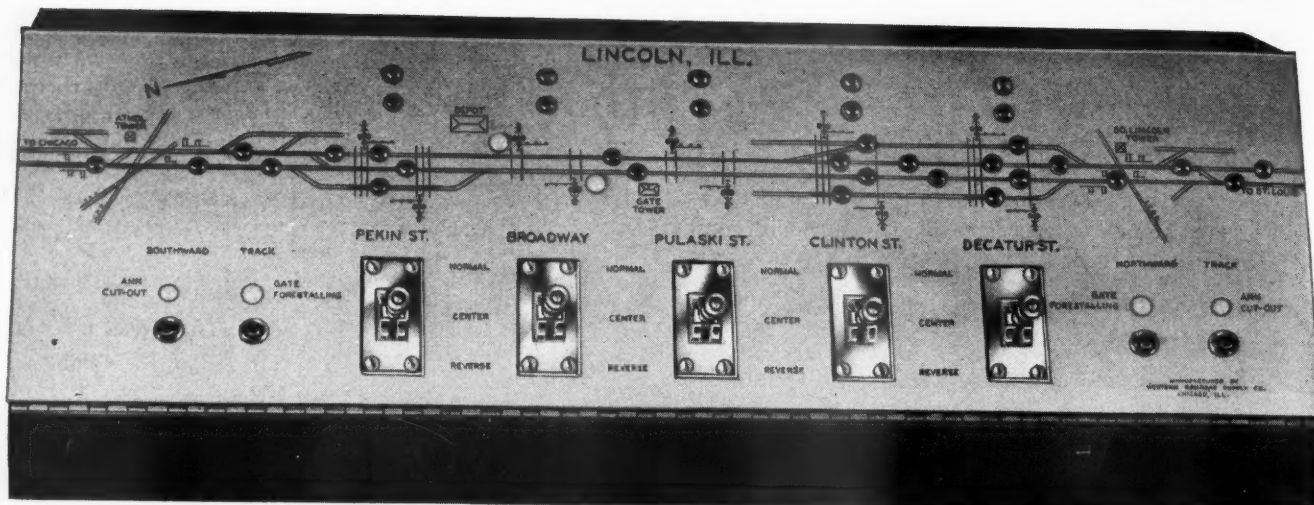
five-second period, any vehicle closely approaching the crossing, less than braking distance, has time to proceed over the crossing safely, while any vehicle approaching at more than braking distance can be stopped short of the gate. When the gates arrive at the lowered position, one of the bells is cut out, and a resistance unit is cut in series with the other bell, thus reducing the volume of the tone to a point that is not annoying, and yet adequate for pedestrian warning. When the gates start to rise after the passage of a train, the bell is cut out but the flashing-light signals and the gate arm lights continue to operate until the arms reach the clear position. By thus continuing these operations of the lights, the drivers of cars who are waiting or approaching have a distinctive indication of the position of the arm until it is fully clear of the roadway.

Automatic-Manual Control

The use of automatic track circuit control of crossing protection eliminates the possibility of neglect on the part of a gateman to place the protection in service when trains approach. Track circuits, therefore, are ideal for control when trains pass through at normal speeds without stopping. Satisfactory crossing protection service, from the standpoint of the public, consists, however, not only in providing protection when train movements over the crossing are immediately imminent, but also in stopping operation of the protection and clearing the crossings for the use of street traffic when trains are stopped or are making switching movements which will not pass over the crossings. Of the 14 passenger trains daily, 5 make scheduled stops at the Lincoln station near the Broadway crossing while a local freight train, operating in each direction daily except Sunday, makes numerous switching moves. Therefore, in order to provide the most satisfactory performance of the protection at Lin-



Plan Showing the Five Crossings Which Were Closed and the Seven Crossings at Which Protection Was Installed



Manual Control Panel in the Tower

coln, a combination of automatic and manual controls was provided for five of the crossings, and straight automatic control for the remaining two.

The track circuit controls are arranged on the basis of 75 m. p. h. train speed, to start operation of the protection 25 sec. prior to the arrival of a train at a crossing. The maximum authorized speed in this territory is 75 m. p. h. for passenger trains and 45 m. p. h. for freight trains. Trains reducing speed preparatory to station stops, run at various lower speeds in the different control sections and in order not to delay street traffic unnecessarily by initiating the control of the crossing protection sooner than necessary, an arrangement of timing relays was provided to check the speed of approaching trains, and, if it is under a certain limit, the control section is automatically shortened. For example, for any speed over 44 m. p. h., one control section is 3,068 ft. long, but under 44 m. p. h. the control section is 1,750 ft. long. Although trains are normally operated right-hand running, track circuit control is provided for either-direction train operation on either of the two main tracks, so that no special action need be taken if a train is run against the normal direction of traffic.

Under normal conditions, the automatic track-circuit control system is in effect to place the protection in service when a train approaches, and to cut out the operation and clear the gates after the rear of a train passes. During station stops or switching moves, a gateman in a tower near Pulaski street, can, by manipulation of small levers in a machine, control the protection to cut out the signal and raise the gates, when track circuit control in certain occupied sections would otherwise keep the signals in operation and leave the gate in the lowered position. The gateman's control to cut out the protection is not effective while a train is occupying a track within the limits of a street at a crossing. This prevents the gateman from clearing the gates until after the rear of a train clears a crossing. The manual control is effective with reference only to the one of the main tracks occupied by a train at the station or when switching. If another train approaches on the other main track, the protection is automatically cut in service, regardless of the manual control. The automatic manual control provides for the control of the protection at five crossings, Pekin, Broadway, Pulaski, Clinton and Decatur streets, while straight automatic control applies at Tremont and Keokuk streets.

In addition to the automatic control track circuits on the two main tracks, a short track circuit is provided over each crossing on each siding or house track so that the

protection is automatically set in operation as a switching movement approaches the crossing at slow speed, and the protection continues in effect as long as any part of the train occupies the crossing. If a car is to be left standing for several minutes on one of these siding circuits or on one of the main tracks at either Tremont or Keokuk streets, the signals can be cut out and the gates cleared by using a standard switch lock key in a special controller provided at the crossing. In the meantime, if a train approaches on one of the main tracks, the protection will again be set in operation automatically, regardless of the position of the key controller. Numerous other special controls and cutouts to reduce unnecessary operation of the protection are included in the Lincoln installation.

The first cost of this project was shared by the City of Lincoln, the Alton and the State of Illinois from its allotment of Federal funds for the improvement of highway safety. This installation was designed and installed by signal department forces of the Alton, under the direction of H. C. Sampson, assistant superintendent telegraph and signal engineer. The form of protection used on this project, including the flashing-light signals in conjunction with gates, is known as the Western Railroad Supply Company's Model-10. This company also furnished the bells and the manual-control panel. Each gate arm is operated by a Model 2A electric mechanism, which together with approximately 179 control relays and other minor pieces of apparatus, were manufactured by the General Railway Signal Company.

THE COMPLETION OF UNIFICATION of railroad terminal facilities in Brussels, Belgium, is contemplated in a bill recently introduced in the Chamber of Representatives by the Minister of Communications seeking an appropriation of approximately \$5,700,000 for continuation during 1940 of work already started on the project. Authority for the entire construction job was given by an act of July, 1935, which established a special board known as the National Office for Joining North and South Stations. This body after completion of preliminary demolition of existing terminals during 1935 and 1936 made rapid progress, and as of the close of 1939 a total of \$11,220,000 had been spent on the project. Present plans call for the completion of the job by end of 1943.

In brief, plans provide for the construction of a new line, chiefly of subway construction, connecting the present North and South passenger terminals with a new union station, centrally located, the present stations to be reconstructed to serve as auxiliary facilities. The new station and subway are to be so designed that they will comprise an air-raid shelter, capable of accommodating 65,000 persons.

Wallace, Woodring and Land Make Joint Attack on S. 2009

Norris and Jewell, committee-of-six members, reply, citing Roosevelt utterances in favor of water-carrier regulation by I. C. C.

WASHINGTON, D. C.

WITH the conferees remaining mute as to the progress of their deliberations, this week's "news" in connection with S. 2009, the omnibus transportation bill, turned out to be the flank attack on the measure which came to light in the form of a joint letter sent on February 16 to Senator Bailey, Democrat of North Carolina and chairman of the Senate committee on commerce, by Secretary of War Woodring, Secretary of Agriculture Wallace and Chairman Land of the United States Maritime Commission. On February 28, a few days after excerpts from the Woodring-Wallace-Land letter had been published, Senator Bailey received a reply to it from two members of President Roosevelt's committee-of-six—E. E. Norris, president of the Southern, and B. M. Jewell, president of the Railway Employees Department, American Federation of Labor.

Meanwhile the conferees have continued their meetings—getting together on some days for both morning and afternoon sessions; but Chairman Wheeler of the Senate committee on interstate commerce, who has been acting as "spokesman," is adhering to the no-day-to-day-announcements policy.

The three joint authors of the aforementioned letter blended opposition arguments which each had previously made separately with some new angles to support a general thesis that the proposed legislation "would seriously affect the national defense, agriculture and shipping, as well as other industry and commerce generally." The letter reveals that it was submitted in response to Senator Bailey's request for a statement as to the "probable effects on water transportation and the national economy of the regulatory legislation" proposed in S. 2009, and it gets under way with an assertion that the agencies which the authors head are "vitally concerned" with transportation matters. In addition to its "general interest," the War Department, it appears, "is charged with particular responsibility" for the protection of the country's "investment" in waterways; the Secretary of Agriculture has a responsibility in connection with "affairs affecting the welfare of agriculture," being authorized to make complaints to the Interstate Commerce Commission with respect to the transportation of farm products; and "the concern of the Maritime Commission is that of fostering and encouraging . . . the development and maintenance of an adequate and well-balanced American merchant marine. . . ." With the authors thus qualified, the statement proceeds to argue that the "emergency in railroad transportation" which brought about the introduction of the legislation no longer exists—"indeed, if there is any emergency, it is in water-borne commerce."

The latter assertion introduces a bit of war-scare talk running in part as follows: "The war conditions and the enactment of neutrality legislation have given rise to sharp dislocations in our foreign commerce and shipping. The war now raging may have profound effects upon our domestic commerce and transportation, and should

give us pause before finally adopting legislation providing for extended and possibly inflexible regulation of water transportation. Such legislation would require a long-continued and difficult process of readjustment of shipping operations, and might disturb our national economy in many ways, and affect the availability of merchant shipping for national-defense purposes. . . ." Discussing "the theory of the pending legislation," the tripartite letter claims that the omission of air transportation "destroys the basis of the argument for unification of regulation;" while "specific provisions tend to render ineffective the general declaration of policy in the pending bill."

Views of Department of Agriculture

In the remainder of the joint letter, Messrs. Wallace, Woodring and Land get in their separate arguments, the subsequent discussion being divided into three parts setting forth in turn the views of the Department of Agriculture, the Maritime Commission and the War Department. Part I opens with a recognition of the fact that motor carriers have been brought under I. C. C. regulation, but it tosses off the implications of that by saying that similar regulation for water carriers is "not justified unless such control is in the public interest." And "there has not been convincing evidence that shippers and consumers have benefited, or are likely to benefit, from this method of regulating motor and water carriers." Moreover, it next appears, "farmers and other shippers in particular are convinced that the effect of the present bills would be to force water transportation rates to levels closely approximating those of rail rates and higher than necessary to reflect the reasonable cost of water transportation, and that they, the users of water transportation, would be footing the bill for the sole benefit of the railroads."

Next comes a discussion of the "different economic characteristics" of rail and water transportation, ending with a finding that "while maintenance of controls now exercised over railroad rates is justified by economic considerations, we have grave doubts that identical rate regulation is required of the rail competitors." Regulation with respect to matters of safety and responsibility to the public, it is conceded, would be O. K.; but "failure to make proper economic distinctions between these industries only postpones the sound solution of the transportation problem in terms of the public interest."

Then comes a consideration of "remedies for the so-called transportation problem," which should first be recognized as "only a part of a larger problem," i. e., the problem of finding ways and means of increasing employment, production and consumption. While all agencies of transport could "contribute measurably" to the solution of this broader problem, the railroads, "unfortunately," seem "determined to find a solution for

the admittedly difficult financial situation of certain rail carriers without regard for the more general solution; in fact, from their public statements it would seem that they are seeking to solve their difficulties at the expense of agriculture and other shippers, consumers, and taxpayers." Continuing, the letter calls the advocacy of minimum-rate powers for the I. C. C. with respect to rail, motor and water charges "an attempt to use government power to bring competing transportation agencies into a cartel."

Furthermore, continues the statement, this effort in the direction of cartel-building goes on in the face of a need for a "flexible rate structure to promote distribution;" and while "the suggestion that the railroads effect a rationalization of the railroad plant to eliminate uneconomic transportation services, and adjust their charges in line with the lessened ability of shippers to pay, goes unheeded."

The Agricultural Department's section of the joint statement ends with a recommendation that the land-grant-rate-repeal provisions of the House version should not be enacted except with the provision whereby the land-grant roads would be required to restore to the federal government "such parts of the granted lands as have not passed out of the ownership and control of the railroads and are not needed or used in the operation of the railroads."

Maritime Commission Has Its Say

Part II of the letter, as noted above, is where Admiral Land, the Maritime Commission chairman, has his special say. He gives a brief outline of the regulatory jurisdiction which the Maritime Commission now has, and the additional control over water-carrier operations which S. 2009 proposes when the job is turned over to the I. C. C. He goes on to set forth familiar arguments of the waterway enthusiasts to the effect that the intercoastal water traffic is "not important to railroads," and that coastwise traffic is "not generally competitive with rail traffic." As for the inland waterways, they were developed "in order to meet the requirements of shippers and the general public for low-cost transportation, and to escape from the virtual monopoly of the railroads." On the other hand, the water carriers "have no natural monopoly;" and every effort of the Maritime Commission "has been to prevent them from becoming monopolies."

In the latter connection that commission, in viewing regulatory matters, "stresses the adequacy of the service as a whole to the persons employing it and the reasonableness of the carriers' rates with relation to the needs of both the shippers and the consumers." In other words, "the maintenance of a particular carrier in trade, although not neglected, is not given controlling weight." Moreover, "it is felt that of necessity the Interstate Commerce Commission would have to use as a measure in all of its determinations involving the competitive efforts of the railroads and the water carriers to get business, the railroads' struggle for existence."

After next discussing a proposition to the effect that "certificates of convenience and necessity foster monopoly and destroy flexibility of service," the Maritime Commission's section of the letter addresses itself to the contention that water-carrier regulation should be transferred to the I. C. C. because of "the supposed existence of some conflict between the regulatory functions of the Maritime Commission and its so-called promotional functions." In exercising the latter, the letter argues, the Maritime Commission "acts in very much the same manner as the Interstate Commerce Commission does in

passing upon applications of the railroads for approval of the issuance of securities." "Furthermore," it adds, "the Senate bill inconsistently provides that the Interstate Commerce Commission in the case of water carriers pass upon their credit needs both in the case of public and private financing while at the same time regulating them."

Part II's close is approached with a discussion of what the authors conceive to be "difficulties and uncertainties arising from an attempt to place all transportation agencies under a uniform code." Also, they remind Senator Bailey that the Merchant Marine Act of 1936 originally contained a provision authorizing the President after two years to transfer the Maritime Commission's regulatory powers to the I. C. C. "On the basis of a careful study of this problem by the Maritime Commission," the letter adds, Congress later "saw fit to withdraw this authority for transfer by executive action." All of which leads up to the suggestion that coordination in transport regulation "is best obtained by a proper spirit of cooperation between various agencies of the government, each of which is expert as to the several problems involved, and not through subordination either in theory or in practice of one phase of the problem to the other." The Maritime Commission, it next appears, "has always cooperated very closely with the Interstate Commerce Commission as to water rates which in any way affect rail rates. It has recognized the gravity of the railroad problem and in practice given most careful consideration to the effect of any regulatory action which it has taken upon the railroad rate structure. More than this cannot justifiably be asked."

War Department Gives Expert Advice

Part III of the letter, embracing the War Department's arguments, gets off with assertions to the effect that water transportation "plays an essential part in certain basic industries of the country;" and that the pending legislation threatens to nullify its "inherent advantages" by imposing restrictions "which will, in our opinion, unwarrantably sacrifice the public investment in low-cost transportation without any compensating benefits whatever." The follow-up discussion of railroad practices in meeting water competition includes complaints against an alleged liberality of the I. C. C. in granting fourth-section relief, and railway practices in meeting the competition of water carriers. Railroad rate cuts, it seems, cause a depletion in waterway tonnage, bringing "a misleading rise in waterway costs per ton-mile, and the discrediting of the sound policy of river improvement by the federal government."

The War Department has heard no public complaints as to water transportation policies, while the army engineers base their recommendations for inland waterway improvements on "careful transportation planning." In the latter connection comes the assertion that studies by the staff of the chief of engineers embrace not only the "economic phases" of each project but also the "effect on existing transportation agencies." Because it has never experienced any difficulty in cooperating with other government agencies, the War Department is at a loss "to account for the theory that the grouping of all transportation investigations exclusively under one agency or board would guarantee more complete impartiality or efficiency, or would compensate for divorcing cost estimates from the corresponding appraisals of benefits." "Economic studies," the statement adds, "are an essential part of engineering surveys." Then there is another angle, the War Department's scientific approach appears to be needed, because: "The overwhelming preponderance of testimony on these questions is partisan in

character. . . . For that reason it requires long practice and familiarity with the problem to sift the testimony for facts bearing on the distribution of savings in transportation charges. The War Department's findings indicate clearly that savings on inland waterway transportation are sufficiently general and widely enough distributed to be counted as public benefits. The Department's endeavor has been concentrated on determining in each case whether there is an actual net economic benefit to be distributed."

Next, the War Department felt that Senator Bailey was entitled to a review of its experience with respect to the regulation of joint rail-water rates by the I. C. C. Such regulation, among other things, "has prevented the interior shippers from realizing the full economies for which the waterways were provided." And the Department's experience with it, as administered "by agencies not historically closely identified with waterway problems," causes "apprehension . . . that the further extension . . . would not be in the public interest."

Meanwhile, however, "it is fully realized that the need for improving the transportation situation is acute, and that there is no simple solution for the problem ready at hand." Nevertheless, it is "essential to realize" that water transportation is different—"it is the aggregate of thousands of small, independent operators on the inland waterways, which gives the character, furnishes the natural regulation, and automatically enforces the fair practices required in this type of transport." "The regulation provided in the bills," the tripartite statement concludes, "could be employed so as to paralyze inland waterways and the industries dependent upon them. . . . The free flow of specially adapted tonnage should be permitted to reach and use the waterways unhampered to the end that commerce may move in increased volume at the lowest possible cost."

Committee-of-Six Members Reply

The Norris-Jewell reply tells Senator Bailey that the views of Messrs. Wallace, Woodring and Land with respect to S. 2009's water-carrier provisions have been "well-known" for some time; and in spite of their opposition arguments, the bill with water-carrier regulating provisions passed the Senate by a 70-to-6 vote and the House by a vote of 273 to 99. "Now, after both Senate and House have overwhelmingly recorded their support of this feature of the bill," the committee-of-six members add, "these high government officials come forward with a renewed assault upon sections of the bill that present no serious differences to the conferees."

Messrs. Norris and Jewell next recall how President Roosevelt set up the committee-of-six to make recommendations "as to what could be done, by way of legislation, to improve the situation of the railroads, recognized by everyone as essential to the public welfare." The "keynote" of the committee-of-six report, they go on, was "the necessity for equality of opportunity;" and the suggested regulatory body for all—the I. C. C.—has "for 50 years enjoyed the utmost of public confidence." Next the railway and labor executives "respectfully submit that the distinguished gentlemen who signed the letter of February 16 are not in accord with the most enlightened public opinion."

In the latter connection they proceed to cite pertinent excerpts from President Roosevelt's June 7, 1935, message to Congress and from a radio address delivered by him on April 28, 1935. In the former the President recommended "early passage" of the water-carrier regulatory bill which had been prepared by Chairman Eastman of the Interstate Commerce Commission in his for-

mer role of Federal Coordinator of Transportation. Then Mr. Roosevelt could see "no reason why the responsibility for the regulation of intercoastal, coastwise and inland waterways should not be vested in the Interstate Commerce Commission." In the above-mentioned radio address the President spoke of the "need for legislation . . . to regulate transportation by water," and measures "for the strengthening of the Interstate Commerce Commission to enable it to carry out a rounded conception of the nation's transportation system. . . ." These views of the Chief Executive, the committee-of-six members point out, "are supported by repeated utterances of the Interstate Commerce Commission, one as late as January 29, 1940, and by the Federal Coordinator of Transportation who is chiefly responsible for the provisions of S. 2009 dealing with this subject."

Many Water Carriers Favor the Bill

Other utterances cited include testimony on S. 2009 given last April by Major General T. Q. Ashburn, former president of the government-owned Inland Waterways Corporation, who told the Senate interstate commerce committee that he had "no fear at all" that I. C. C. regulation would put the inland water carriers out of business; he thought they ought to be regulated. At the same hearing Harry C. Ames, representing the Mississippi Valley Barge Line Company, states that his client was not opposed to regulation, adding that "we favor regulation would put the inland water carriers out of forms of transportation." "Many other similar expressions from representatives of substantial water carriers could be cited," Messrs. Norris and Jewell say. The views of such, they find to have been well-expressed in a statement issued on February 14 by Edward P. Hurley, chairman of the executive committee of the American-Hawaiian Steamship Company and former chairman of the United States Shipping Board.

"The claim that regulation of water rates by the I. C. C. would result in favoritism to the railroads," Mr. Hurley is quoted as having said, "is an unfair indictment of the intellectual integrity of the members of the commission. No charges of unfairness or discrimination have been sustained in all the long life of the commission."

Addressing itself to that part of the joint letter "obviously prepared by the Secretary of Agriculture," the Norris-Jewell reply finds language "that may convey the impression that the farmers are united in their opposition to the bill." If the Secretary believes any such thing, they add, he is "misinformed;" because Representative Van Zandt, Republican of Pennsylvania, in a speech delivered in the House on January 14, "enumerated numerous important farm organizations throughout the country that support the bill." "With great deference," Messrs. Norris and Jewell next "respectfully submit that the Secretary of Agriculture does not speak for the best interests of the farmers when he opposes the regulation of water carriers. Indeed, his argument reads like a special pleading strained to support a view adopted before the subject had been carefully examined." In fact the railway and labor executives found the Secretary's argument "far more potent as against the regulation of truck rates;" and yet "no one seriously proposes to repeal the Motor Carrier Act."

"The Secretary," the Norris-Jewell letter continues, "does not assert that water transport directly benefits the farmer, since it is well established that his products do not move by water until he has parted with their ownership, and equally well established that he gets little or no benefit from low water rates paid by those who sell to him

his necessary oil, machinery and other supplies. As has been pointed out more than once in the debates on this bill, most of those who use the waterways add the rail rate to the selling price, whatever may be the undisclosed rate which they pay for water transportation."

Noting the Secretary of Agriculture's complaint alleging that railroads offset low rates on competitive traffic with high rates on non-competitive traffic, "of which a significant proportion consists of agricultural products," the committee-of-six members suggest that "it does not seem to have occurred to the Secretary that when all rates, rail and water, are under regulation, such a practice can be controlled by the regulating body."

Maritime Commission a "Promotional" Body

Dealing with that part of the joint letter "manifestly attributable to the Maritime Commission," Messrs. Norris and Jewell call the minimizing of tonnage transported by intercoastal carriers "misleading." They explain that such tonnage gets an average haul eight times as great as the average rail haul. "The Maritime Commission," the reply goes on, "is concededly a promotional organization. That by its very nature it is a partisan body no one can successfully deny. Its effort to retain control over the rates and services of the water carriers grows out of its obvious purpose to encourage water transport, without regard to the interest of other agencies of transportation equally essential to the public welfare. This commission, if we may say so without offense, loses sight of the transportation picture as a whole, and unintentionally disregards the welfare of those millions of our citizens who must depend upon land transportation for their very existence."

Messrs. Norris and Jewell find it "a little difficult to appreciate the interest of the Secretary of War," since the bill does not deal with waterway extensions or the amount of money which shall be expended thereon. Their reaction to his complaint that railroads have since 1922 reduced many rates voluntarily to meet water competition prompted them to inquire—"So what?" "If this is a disorderly process," they add, "should it not be corrected? And will not full regulation help to correct it?" The Secretary's "traffic specialists" of whose work he speaks with "commendable pride," in the opinion of the committee-of-six members, "often lose sight of the larger aspects of the question, as the recent report of the Interstate Commerce Commission on the proposed Lake Erie-Ohio River canal conclusively demonstrates."

Summing up, Messrs. Norris and Jewell say that the letter "viewed as a whole, is based on various unsound assumptions." Specifically they cite this language: "All the provisions of the bills seem designed to free the railroads from restraints and obligations while imposing restrictions on their water competitors, and making it more expensive for the public to move freight." It was "only by the exercise of restraint" that the rail and labor executives were able to treat of such a statement "without display of impatience;" because they feel that "surely the author of this paragraph has never read the bill."

"Nowhere," they add, "are the railroads freed from restraint and obligations. If the eminent authors of this letter are really anxious to bring about equality, and if they favor accomplishing this end by leaving water rates unregulated, while at the same time relaxing rail regulation, why not repeal the long-and-short-haul clause, the prohibition in the law against ownership and control of water lines by railroads, and that section of the Act that compels railroads to join in joint rates with the water lines?"

"Certain fundamental propositions are perfectly clear.

The country must have a transportation system that can function in an orderly manner. The public is entitled to select that system that is most convenient and economical. Each mode of transportation has certain inherent advantages. These natural advantages should not be enhanced by artificial government favoritism. All forms should be equally regulated, equally taxed and treated equally in the matter of subsidies. This bill is a step in the right direction, so far as regulation is concerned. The railroads and their employees are asking only for equality; they seek to destroy no one; they invoke the principle of fair dealing and common justice."

In closing, Messrs. Norris and Jewell ask that their reply be placed in the Congressional Record, where, it is understood, Senator Bailey plans to have the Wallace-Woodring-Land statement published.

Among recent statements going directly to the conference was that embodied in a brief wherein the American Merchant Marine Institute reiterated its opposition to the bill's provisions for regulation of water carriers by the I. C. C. The institute contended that there is no public demand for such a regulatory set-up, which, it also asserted, would drive water carriers out of business.

Opposition Statements in Congressional Record

Into the appendices of recent issues of the Congressional Record have gone several statements in opposition to the bill, Representative Harrington, Democrat of Iowa, sponsor of the Harrington "labor-protection" amendment, being among the most active "extenders-of-remarks" in that connection. On February 23 he inserted a radio address delivered recently by Fred Breckman, Washington representative of the National Grange, and a resolution from the Toledo (Ohio) City Council "protesting consolidation of railroads." Mr. Breckman's address was printed a second time in the same issue of the Record—it was then an "extension of remarks" of Senator Sheppard, Democrat of Texas. Into the February 26 issue, Mr. Harrington inserted a resolution, supporting his amendment, which had been adopted by the Estherville (Iowa) Lodge, Brotherhood of Railroad Trainmen; and a letter he had received from A. C. Ingersoll, secretary and treasurer of the Mississippi River System Carriers' Association. The latter hoped that the Iowa congressman would have steps taken "so that at least 30 days will pass before this bill is voted upon after it is reported from conference." This demand for 30 days to shoot at the conference report has previously come from other waterway interests; and it recently prompted Senator Wheeler to observe that "it wouldn't make any difference if you gave the opposing water carriers 30 days or six years—they'd still be opposed to regulation by the Interstate Commerce Commission."

Nevertheless the request for the 30-days delay turned up again in a statement issued on February 20 by J. R. Van Arnum, transportation secretary of the National League of Wholesale Fresh Fruit and Vegetable Distributors, and inserted by Representative Harrington in the appendix to the February 27 issue of the Congressional Record.

FIFTY-NINE YEARS AND FOUR MONTHS OF CONTINUOUS SERVICE with one railroad and all of it on one division, is the record of John Dailey, an employee of the Pennsylvania, whose pension certificate has been signed by President M. W. Clement. Mr. Dailey joined the road's service in 1880 as a boy of 10 and since April 16, 1932, has been a motor car operator in a Pittsburgh division yard. He has the longest service record of any living retired Pennsylvania employee.

I.C.C. Wipes Out Milwaukee Equities

(Continued from page 406)

incorporated. The new common stock will be without par value. For the purposes of the reorganization approximately 2,103,194 shares would be issued for allotment to secured creditors in the initial distribution, and 55,000 additional shares would be authorized and issued for distribution to the holders of general unsecured claims and the holders of the debtor's adjustment mortgage bonds. Approximately 514,221 additional shares would be authorized and held in reserve for the conversion of the series B general mortgage bonds on the basis stated in the mortgage.

As it has done in previous cases, the commission provided that the plan may be put into operation by the sale of the property at an upset price, to be fixed by the court. The board of directors of the new company will consist of not less than seven and not more than 15 members who will initially be selected by the reorganization committee, but eventually by the stockholders.

Commissioner Miller wrote a short concurring opinion in which he noted several differences of opinion with the

majority. Particularly, he wished to call attention to the desirability of setting up sinking fund payments in terms of a percentage of earnings, a participation provision rather than a cumulative requirement for income bonds, the use of no par value preferred stock and conditions under which fixed interest bonds may be issued in the future.

Turning to the subject of the issuance of warrants to common and preferred stockholders, Commissioner Miller wrote that "The indications are that such warrants would be worthless and that the option to purchase would never be exercised unless the railroads of the country are consolidated into one system or a few large non-competitive systems."

"In order to give the present equity holders an opportunity to participate in the future earnings of the company, in the event of such consolidations," he concluded, "it appears to me that warrants should be issued in this reorganization. The optioned stock should be no par value common, subordinate to the common stock authorized herein, and the receipts from the sales thereof should be used first to retire fixed interest indebtedness." Commissioner Patterson took no part in the disposition of the case.

Communication . . .

Unified, All-Railroad Time-tables Between Main Points?

New York.

To the Editor:

Is it too soon yet, to expect streamlined time tables? After such last-word streamliners as have recently been put into service must ignorant travelers like myself still be denied time tables we can read and understand? Why hasn't time table design and production kept pace with train design?

This will sound elementary, but suppose you railroad men are joining me on the other side of the counter (where the money comes from) and you know even less about railroads than I do. You come from Hartford, Conn., say, and "railroad" to you means New Haven and that's about all. You've got to Chicago and you're thinking of going to St. Louis and back. You'd like to know what trains there are and when they run and from where and how much and what kind of trains they are. Can you get *all* this information in one place, simply, completely, quickly, accurately and without competitive bias? You know you can't. And I haven't forgotten that you're staying at the Stevens and the boys downstairs could give it to you if they had the time and inclination and the counter wasn't too crowded. But it happens to be night time and that counter's closed and, anyway, even if you did wait till morning and persuaded one of them to give it to you, you couldn't remember it all. You couldn't take it up to your room in a little vest pocket folder to mull over at your leisure, because there isn't such a folder.

Of course, you might try calling stations. You probably don't know that you came in at La Salle street, but you do remember New York Central. You call. Is New York Central going to tell you that there are four different railroads running to St. Louis and that they run some 28 trains a day between the two cities; that six of them are streamliners; that one is the Alton and has six trains each way, and they leave from the Union station at Canal and Adams; that another is the Illinois Central and it has three each way and they leave from the Central station near the Stevens; that a third is the Wabash and it has three each way, too, and they leave from Dearborn station at Dearborn and Polk, and the C. & E. I. has two each way leaving from Dearborn, too? Then will New York Central or anyone else sing you off the 56 arrival and departure times, even if you do

want to write them all down so you can figure out how to get the most for your money?

What I'm trying to be bold enough to suggest is a composite time table, a whole series of composite time tables covering the larger cities. How else can the man-who-wants-to-go-somewhere get all the dope he wants, in the way he wants it? There's so much total business now. Perhaps a little more team work might boost the total and hence raise the individual takings, each according to his deserts. For one reason or another, one road may not be able to run as many trains as another, but is that anything to be ashamed of? Perhaps it can give better service. That, in turn, might raise the level of service all around and that might give another boost to the overall level of traffic. Here's a rough idea of what I mean by a composite time table. It could be dolled up a little and a word or two about equipment added to each train:

CHICAGO TO ST. LOUIS					
	Leave Chicago	Sta.	Arrive St. Louis	R. R.	Train
1.	8.30 a. m.	a	1.45 p. m.	A	Ann Rutledge (Streamlined)
2.	11.35 a. m.	b	5.05 p. m.	B	Daylight
3.	11.35 a. m.	c	5.05 p. m.	C	Banner Blue
4.	11.40 a. m.	a	5.10 p. m.	A	Alton Limited
5.	12.00 noon	c	5.00 p. m.	D	Zipper
6.	4.30 p. m.	c	9.45 p. m.	C	Blue Bird
7.	4.50 p. m.	a	9.45 p. m.	A	Abraham Lincoln (Streamlined)
8.	5.00 p. m.	b	9.55 p. m.	B	Green Diamond (Streamlined)
9.	6.45 p. m.	a	1.20 a. m.	A	Mail
10.	11.30 p. m.	a	6.45 a. m.	A	Fast Mail
11.	11.50 p. m.	c	7.25 a. m.	C	Midnight Limited
12.	11.55 p. m.	b	7.18 a. m.	B	Diamond
13.	11.55 p. m.	c	7.14 a. m.	D	Silent Knight
14.	11.59 p. m.	a	7.43 a. m.	A	Midnight Special

STATIONS: a—Union; b—Central; c—Dearborn.
RAILROADS: A—Alton; B—Illinois Central; C—Wabash; D—C. & E. I.

FRED BERTRAM
The Canadian Club of New York.

ELECTRIFICATION OF TWO MORE LINES of the Italian State Railways will soon be started, according to the American commercial attache at Leghorn, Italy. The two routes affected run between Pisa and Florence and between Pisa and Pistoia, totaling 50 and 42 miles, respectively, in length. Completion of the project will provide through electrified routes from Turin to Rome via Genoa-Pisa, and from Milan to Rome, via Bologna-Florence.

NEWS

4 Classes Out in North N. E.

B. & M., Me. C. to handle
package freight at Col. 45
rates in experiment

The plan of the Boston & Maine and Maine Central to experiment in the meeting of highway competition with an l. c. l. rate set-up which eliminates the first four classes in the present structure and substitutes therefor single maximum rates slightly under fourth class may now go forward as a result of the recent decision wherein the Interstate Commerce Commission's Division 2 vacated the suspension order on the tariffs involved. The Boston & Maine-Maine Central plan, as noted in the *Railway Age* of July 15, 1939, page 119, was outlined in a joint statement issued by J. W. Rimmer, traffic vice-president of both roads, when the original tariffs were filed to become effective on the 10th of last August.

Division 2's decision was by a two-to-one vote with Commissioners Aitchison and Splawn comprising the majority and Commissioner Caskie's dissent noted. As outlined in the report, the territory wherein the experiment will be tried out embraces extreme Northeastern Massachusetts, the Southwestern quarter of Maine and intermediate territory in extreme Southeastern New Hampshire. The present tariffs are published to expire June 30. Noting the contention of protestants that the proposed rates "would likely lead to a destructive rate war," the commission cited its power "in justifiable circumstances and in an appropriate proceeding to prevent that." Meanwhile it had found evidence to warrant the conclusion that the proposed rates "would produce reasonably compensatory earnings, and there is no showing that they would violate any provisions of the Interstate Commerce Act."

Previously the report had referred briefly to the competitive situation, having this to say: "There has been a continuous falling off in the respondents business and a continuous increase in the traffic handled by trucks between the points involved. The rail movement is now almost negligible. Between 40 and 50 truckers operate in this territory and carry a heavy volume of traffic. The traffic left to the railroads is largely articles that the trucks cannot, or do not care to, handle."

Specifically, the proposed rates, as the commission points out, are Column 45 rates, 90 per cent of fourth class; and they apply on "practically all package freight

covered by the classification," although they do not include pick-up and delivery. In the latter connection there are separately-published charges ranging from five to ten cents at each end of the line. A table comparing the present and the proposed rates between representative points shows that between Portland, Me., and Portsmouth, N. H., the present class rates range from 52 cents first class to 26 cents fourth class as compared with the proposed rate of 23 cents; between Portland and Boston, Mass., the new rate will be 31 cents as compared with a 67-to-34-cents range in the supplanted class rates. Intra-state rates on the proposed basis were recently allowed by the Maine Public Utilities Commission for application in the Southern half of that state.

In an appendix to the report is a comparison of the proposed rates, plus the railroads' pick-up and delivery charges, with truck rates which include pick-up and delivery and vary for shipments in different weight groups. "In perhaps half of the instances involved, namely, on the higher-rated and lighter-loading traffic," the commission says of this comparison, "they (the proposed rail rates) are lower than the truck rates, but about 80 per cent of the business of common carriers by truck moves at rates below fourth class, on which traffic the proposed rates are generally higher than the truck rates; so that on the whole, even under the proposed rates, respondents will be at a disadvantage in freight charges." Later the report notes that if the proposed rates do not prove low enough to meet the situation, "respondents will consider further reductions." It is the general view of the two roads, as reported by the commission, that "they should establish generally lower rates than the motor carriers publish because the trucks give faster and more complete service."

Retirement Act Amendments

More amendments to the Railroad Retirement Act are proposed in bills introduced in Congress recently by Senator Burke, Democrat of Nebraska; and Representative Fernandez, Democrat of Louisiana. The former introduced S. 3422 which would amend the Retirement Act's sections relating survivor annuities. The Fernandez bill (H. R. 8647) would count wartime service in the armed forces of the United States in the calculation of annuities; also, it would reduce the Act's age limits from 65 and 60 years of age to 60 and 55 and make provision for partial annuities to those having 30 years of service with a carrier but who were separated from such service prior to August 29, 1935.

Unions Urge Canal Tolls

Ask N. Y. legislature to permit
voters to say whether they
like barge subsidy

Declaring that railroad employees "propose to stand shoulder to shoulder with our employers and fight for the preservation of our industry," a union representative joined official railroad spokesmen in a plea for a vote by the people for or against the imposition of tolls for use of the \$192,981,000 New York State Barge Canal in hearings last week before the Committee on Judiciary of the General Assembly considering a concurrent resolution of the Senate and Assembly proposing an amendment to the state constitution on this question.

Frank S. Columbus, in behalf of five railroad unions comprising the telegraphers and all of the train-service organizations except Mr. Whitney's Brotherhood of Railroad Trainmen, emphasized that what the railroad workers wanted was not so much the establishment of this or that levy but merely an opportunity for the people of the state to vote on the toll issue. Advocates of a toll-free policy claim that the people expressed their will in 1882 when tolls were removed from the Erie Canal.

But, said Mr. Columbus, conditions have changed radically in the 58 years since then—railroads can no longer be regarded as a monopoly. Then, too, the canal system has been completely rebuilt at a cost far above that of the Erie waterway, and it should be recalled that "at least on three separate occasions since 1882 the people of New York were called upon to approve bond issues covering canal expenditures. None of the toll free advocates expressed any objection to giving the people a chance to express their will as to those expenditures, but when it is proposed that they have an opportunity to decide a question that will affect canal income, strong objection develops from the relatively few who use and benefit from the canal at the expense of the people generally."

In weighing the economics of free waterways the union spokesman reminded the legislators that the state very properly prohibits the railroads from discriminating among shippers. "And yet," said he "the state itself practices just such discrimination, not only in favor of one shipper whose location lends itself to transportation by way of the canal, as against a ship-

(Continued on page 424)

Zephyr Wreck

Report by I. C. C.

Bureau of Safety reveals causes of Q. accident at Napier last October

On October 2, 1939, there was a head-end collision between a Zephyr type motor passenger train and a locomotive and two freight cars on the Chicago, Burlington & Quincy at Napier, Mo. The report of the Bureau of Safety states that the accident caused the death of two employees and the injury of 25 passengers, five railway mail clerks, one employee off duty, one porter, three dining-car employees, and three train-service employees. It was caused, first, by the opening of a junction switch by a trainman without authority or instructions which resulted in diverting the passenger train, the "Pioneer Zephyr," to an occupied track, and, second, by the failure to control the speed of the passenger train properly when approaching a junction operating against the current of traffic within yard limits.

The Pioneer Zephyr, train No. 21, consisted of four articulated streamline units propelled by a 600-hp. Diesel-electric power plant. At Forest City, 5.9 miles south of Napier, this train crossed over to the southward track at 4:20 p. m., 2 min. late, and approached the yard limit board at a speed of about 75 miles an hour. It entered the open junction switch leading to the Wynmore division and, while moving at a speed estimated to have been about 45 or 50 miles an hour, collided with locomotive No. 4973 at 4:25 p. m. at a point 859 ft. beyond the switch. The report states that the locomotive and two cars, standing at the water crane and, according to the evidence, with the brakes applied, were moved back 128 ft. by the impact; the driving wheels were derailed to the west and the rear end of the tender was knocked off center; the front end of the locomotive was considerably damaged. The front truck of the first unit of No. 21 was derailed and stopped crosswise of the track 10 ft. from the pilot of locomotive No. 4973; the front end of the first unit rested on the front end of locomotive No. 4973. The front portion of this unit was demolished a distance of 28 ft.; the power plant and its base support were driven back into the mail compartment. The articulation end castings at the rear end of the first unit and at both ends of the second unit were driven inward 8 to 16 in. and the ends of these two units were bent and damaged.

The employees killed were the engineer of No. 21 and the roadmaster who was in the power compartment. The employees injured were the fireman, the conductor, and the brakeman of No. 21.

Among the operating rules applying to the conditions involved in the wreck is Rule 98, a part of which reads: "A train authorized to move against the current of traffic must proceed through yard limits at restricted speed." Timetable instructions provide that "Operators when on duty will handle switches at terminals and for movements as follows: . . . Napier Junction

\$94,638,951 Net Income in 1939

Class I railroads of the United States in 1939 had a net income of \$94,638,951, according to the Association of American Railroads. For the twelve months of 1938, Class I roads had a net deficit of \$121,348,707. Class I roads for December, 1939, had a net income of \$36,622,251 compared with a net income of \$22,495,109 in December, 1938.

switch and crossover . . ." According to the evidence, the flagman of No. 92, the freight train in the yard at Napier, without authority or knowledge of conditions on the road, assumed that the Zephyr train, No. 21, would arrive at Napier on the northbound track, which would not involve the junction switch, and, contrary to the rules, aligned the switch for the movement of his train to the southbound track a few minutes before the arrival of No. 21, running against the current of traffic on that track.

The evidence is conflicting as to the speed at which the collision occurred. Several of the train-service employees of the two trains estimated the speed to have been about 50 miles an hour. The fireman on the motor train, who jumped shortly after the train passed through the junction switch, estimated the speed at that time to have been 45 miles an hour.

In summarizing the evidence concerning the character of the equipment in the passenger train, the report continues in part as follows:

The Pioneer Zephyr consisted of four articulated units designed to operate without being intermingled or associated with other cars. It consisted originally of three units which are now the first, second, and fourth units and which were completed in April, 1934; the unit which is now the third unit was added in 1939. The second unit was originally a passenger-baggage car and was converted into a full baggage car. These units are built of stainless steel. This material was cold rolled to a minimum tensile strength of 150,000 lb. per sq. in. The total weight of the train empty is shown as 290,000 lb.

The underframe and engine support of the power car were fabricated of Cromansil steel, arc welded and annealed. The material had a tensile strength of 90,000 lb. per sq. in. and a minimum yield strength of 55,000 lb. per sq. in., with an elongation of 25 per cent in 2 in.

The statement of the damage to the equipment, furnished by the carrier, showed a total of \$54,000 to the first unit, of which \$29,000 was to the car body and \$25,000 to the power plant; to the second unit, \$5,000, and to each of the third and fourth units, \$500—a total of \$60,000. The damage to the steam locomotive is placed at \$400.

Superintendents to Convene June 4-6

The American Association of Railroad Superintendents will hold its annual meeting for 1940 at the Stevens hotel, Chicago, June 4 to 6, inclusive.

More Research Men Honored

Four equipment men acclaimed as "Modern Pioneers" in N. A. M. program

The "Modern Pioneer" program of the National Association of Manufacturers was climaxed by a formal dinner in the grand ball room of the Waldorf-Astoria in New York on February 27, when 1,500 members and guests of the Association saw 101 inventors receive New York regional awards for their contributions in pushing back today's frontiers and witnessed the signal honors accorded the 19 inventors selected as the most outstanding in the nation. Among other items in the elaborate program presented was an address by Conway P. Coe, U. S. Commissioner of Patents, defending the United States patent system and recalling its 150 year history, and a coast-to-coast broad-



W. E. Woodard

cast over the N. B. C. network including a dramatization of achievements of the national "Modern Pioneers" and a talk by C. F. Kettering, vice-president, General Motors Corporation. Earlier in the program there was presented an unusual "stunt" to honor the inventors of the past; the curtain behind the main speaker's table parted to reveal a speaker's table of the past with illuminated figures of 15 researchers of yesterday seated there, including Morse, Westinghouse and Edison.

Among those honored at the dinner as a "Modern Pioneer" in the New York area was William E. Woodard, vice-president in charge of design, Lima Locomotive Works, Inc., who has been granted some 80 patents during his career and 11 additional issued jointly to himself and co-inventors. At present he has five patent applications pending in his own name and one joint application.

Mr. Woodard's most notable contribution to the science of railroading was probably

his design of the Lima-built 2-8-2 type locomotive No. 8000 for the Michigan Central in which his fundamental aim was to produce maximum drawbar horsepower for a given driving-axle load. Prior to this development the yardstick for locomotive construction had been tractive power. Mr. Woodard's studies led him to seek for a new evaluation of locomotive performance and culminated in 1922 in the No. 8000. To decrease the drop in pressure between throttle and cylinder on this new locomotive, Mr. Woodard introduced a new type of throttle located in the smokebox. In 1925, when more than 300 units of the 8000 type had been built and installed, he designed a 2-8-4 type, designated as the A-1, which is held to be an outstanding prototype of the modern locomotive, combining high speed with high capacity. Among its features was a four-wheel trailing truck and articulated or tandem main rods, both introduced by Mr. Woodard.

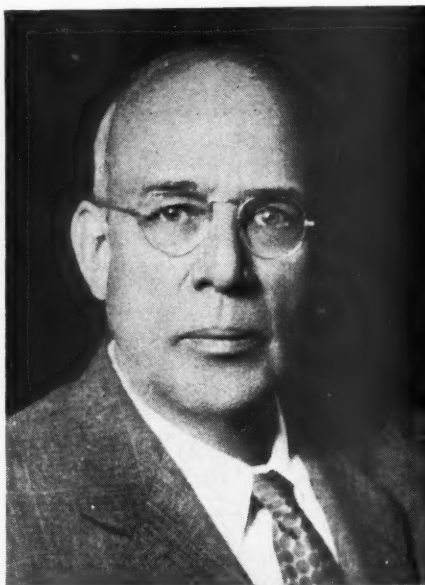
It was largely through Mr. Woodard's efforts that the railroads discarded the use of tractive power in evaluating locomotive performance and substituted the present yardstick of horsepower output. He was also responsible for the constant resistance type engine and trailing trucks and the lateral motion driving box, now in general use. The leveling device for subway cars universally adopted by the New York subway systems was one of his inventions. His latest development is a new type of valve gear for use with poppet valves. Introductory tests of this device show a marked increase in power output over the existing forms of valve gears.

Mr. Woodard was born in Utica, N. Y., in 1873 and received the degree of mechanical engineer from Cornell University in 1896. Early in his career he was connected with The Baldwin Locomotive Works, Cramps Shipyard, and Dickson Locomotive Works. In 1900 he went to the Schenectady Locomotive Works, later merged into the American Locomotive Company. With the American Locomotive Company he held positions as Chief Draftsman, Manager Electric Locomotive and Truck Department, and Assistant Mechanical Engineer. In 1916 he was appointed Vice-president of Engineering of the Lima Locomotive Works, Inc., with which company he is now connected.

Herbert A. Wallace, signal engineer, Union Switch & Signal Co., was honored as a "Modern Pioneer" for his contributions to the field of railroad signaling, including block signaling, interlocking, cab signaling and train control, for which he holds nearly 100 letters patent. Mr. Wallace's most distinguished achievement is probably his work in connection with centralized traffic control (C. T. C.), the fundamental patents for which he filed March 20, 1922. He also holds basic patents for various features of the control system including continuous indications of performance in the dispatcher's office and the employment of codes over a single transmission line for control of wayside equipment.

Mr. Wallace was born on November 14, 1879, at Folsom, Cal., and was educated at schools in Stockton and San Mateo. He entered railroad service with the South-

ern Pacific in 1898 in the bridge department. Later he was transferred to the signal department and worked in various capacities therein until he was promoted to signal foreman. He left the Southern



H. A. Wallace

Pacific in 1901 to go with the Union Switch & Signal Co. as shop inspector. In 1902 he was sent out in the field in connection with railroad signal installations. In 1903 he was placed in charge of the Estimating department, and in 1918 was promoted to signal engineer, which position he now holds.

John F. Grace and Thomas C. McBride, of the Worthington Pump & Machinery Corp., were presented a joint award for various inventions in connection with feed-water heaters and condensers. Mr. McBride was specifically cited for his design of an open-type feed-water heating system constructed to meet the special requirements of locomotive installation.

George H. Emerson, chief of motive power and equipment, Baltimore & Ohio, who was named a "Modern Pioneer" at a dinner in Baltimore, Md., on February 19, was cited as holding many patents for improvements to steam locomotive which the B. & O. is utilizing. Among others mentioned are his design of a single-drum, locomotive water-tube fire-box boiler which makes possible the use of higher steam pressures and promotes higher fire-box evaporation than in a conventional radial-stay boiler.

Mr. Emerson entered railway service with the Great Northern in 1880 as water boy on a wood train. Two years later he became apprentice at the St. Paul shops. Between 1887 and 1890 he served as a boiler maker. In the latter year he went over to the transportation department first as a fireman and then as an engineman on the Dakota division. In 1885 he was appointed locomotive foreman at Glasgow, Mont. In 1897 he became general shop foreman and master mechanic on the Dakota and Northern divisions.

In 1900 Mr. Emerson became general master mechanic, Western district, and in 1903 was appointed superintendent motive

power. In March 1910 he was elevated to assistant general manager and in 1912 was further promoted to general manager. Leaving the Great Northern in 1917, Mr. Emerson was appointed Colonel in command, Russian Railway Service Corps in Siberia. In 1920 he was appointed chief, motive power and equipment, B. & O. In 1931 his jurisdiction was extended to include the Alton.

John J. Tatum, assistant chief of motive power and equipment, B. & O., was honored at the same dinner for his work in connection with a large number of devices, chiefly for cars used by the railroad. He has been granted patents for a varied group of such improvements, including a dumping car; journal-box; spring beam and seat for car trucks; safety hanger for brake rods; coupler-operating device; coupler striking-plate; car seat; vehicle spring; freight car truck; arm rest for reclining coach seats; center-sill construction; and plans for an improved process of freight car repair.

Mr. Tatum was born September 17, 1866, at Baltimore and was educated in the public schools there. He entered Baltimore & Ohio service at 13 as messenger. Starting in 1879 he worked in the locomotive building and repair shop, and in 1881 became an apprentice in the car department. He became a car builder in 1885, and in 1886 was made supervisor of air brake equipment. The next year he was made supervisor of steam heat equipment and in 1888, assistant foreman of the passenger car erecting shop, becoming foreman in 1895. He was next made general foreman of passenger terminals, Baltimore, in 1898, and in 1900 chief inspector of new car equipment. From 1901 to 1902, he was again general foreman of passenger terminals and in 1902 was promoted to



J. J. Tatum

general foreman of the car department, Baltimore terminals and shops. In 1907 he was made superintendent of freight car equipment.

During the war, Mr. Tatum was appointed manager of the car repair section under the Railroad Administration, with

offices in Washington, D. C., in control of repairs to freight and passenger cars, including Pullman equipment, at all existing railway shops. Later, he was appointed a member of the Committee on Standards. In 1920, he returned to the B. & O. company as superintendent, car department, in charge of both passenger and freight equipment. Mr. Tatum was made general superintendent car department in 1925, and in 1937 was appointed assistant chief of motive power and equipment.

Further Postponement in Southern Governors Rate Case

The Interstate Commerce Commission has further postponed from April 1 until May 1 the effective date of its order in the so-called Southern governors rate case.

T. & T. Section Annual Meeting Advanced to September 10-12

The 1940 annual meeting of the Telegraph & Telephone section, Association of American Railroads, at the Chateau Laurier, Ottawa, Ont., originally scheduled for September 24 to 26, inclusive, has been advanced to September 10 to 12, inclusive.

Club Meetings

The Traffic Club of Newark, N. J. will hold its next regular meeting on March 4 at the Robert Treat hotel. The next forum of the group will be held on March 11 at the same place. At that time W. L. Thornton, Jr., traffic manager, The Port of New York Authority, will discuss the work of that body.

Rutland Asks Court to Reconsider Wage Decision

The receiver for the Rutland has entered a motion asking the United States Circuit Court of Appeals in New York to reconsider a recent decision setting aside wage deduction and reduction orders of the federal district court at Vermont, reviewed in the *Railway Age* for February 17, page 341.

Hours Increased in C. N. R. Shops

Locomotive repair shops of the Canadian National throughout the Dominion heretofore operating on a 40-hour week, have been placed on a 44-hour week. The announcement was made in Montreal by N. B. Walton, vice-president in charge of operation, maintenance and construction, who said the increase in hours was due to a "distinct upturn in business that has taken place and is continuing."

Pittenger on St. Lawrence Seaway

The proposed St. Lawrence seaway "means more to the consumers of the United States than anything else that will come before Congress for consideration at this session," according to Representative Pittenger, Republican of Minnesota, who addressed the House of Representatives on that subject at the February 26 session.

Among other things Mr. Pittenger expressed the view that the railroads' idea that waterway developments will injure them as a "mistaken policy." He undertook to point out that "the waterway means

more freight to be handled by railway employees in the Midwest, and more work for them." Previously he had referred to what he called "the usual propaganda" being carried on "to get railway workers to help defeat the project."

From those who argue that the seaway would work to the detriment of the East, Mr. Pittenger called for a broader viewpoint. He prefers "the sounder doctrine that what is for the good of one section of the United States is for the good of all the people of this country." He closed with a listing of various groups from which the seaway "has powerful support."

U. P. Has Right to Extend Tracks to Kansas City, Kan.

The right of the Union Pacific to extend its tracks from Kansas City, Mo., to the new produce mart in Kansas City, Kan. was upheld by the United States Circuit Court of Appeals on February 7, when it confirmed a lower court's ruling to the effect that 12 commission firms and the city of Kansas City, Mo., could not maintain a suit to enjoin the extension of the line. The plaintiffs contended that the extension would adversely affect their business, property and investments, create "unnecessary and uncalled-for rival markets," cause "destructive competition," and "divert traffic being handled adequately by other railroads."

S. A. L. January Passenger Take Highest Since '29

Passenger revenue of the Seaboard Air Line for January, totaling \$914,162, exceeded that of January of any year since 1929 and was over 21 per cent in excess of the total for January, 1939. Total operating revenue of the road for the month exceeded that of any January since 1930 and was 13 per cent over January of last year.

R. L. Williams Elected to A. A. R. Board of Directors

R. L. Williams, chief executive officer of the Chicago & North Western, has been elected to the board of directors of the Association of American Railroads. Mr. Williams' election came at the February 23 meeting of the board in Washington, D. C.; he succeeds E. M. Durham, Jr., chief executive officer of the Chicago, Rock Island & Pacific, whose resignation was noted in the *Railway Age* of February 3.

Quebec Forbids Montreal-New York Truck Competition

Ruling that it is "not in the public interest" to permit trucks for hire to operate in long-distance service in competition with the railroads when the latter afford adequate service, the Quebec Transportation and Communications Board, on February 23, denied a permanent permit to Carl's Transportation Company, Ltd., for the transportation of perishables and merchandise between Montreal and New York. The applicant has been operating since September under temporary permits pending investigation of his application as a test case for operations of this type. Declaring that "long distance goods trans-

portation should be left to the railway companies," the board also prohibited the exchange of shipments by truckers at the international border. It is understood that the decision sets a precedent, especially as one member of the board told the Canadian press that "this means that the board's toleration of such trucking will no longer exist."

I. C. To Try Freight Rate Innovation

The Illinois Central, in an effort to improve the distribution of merchandise moving from points of production to points of consumption, will establish an experimental rate on March 19 in the areas served by Memphis, Tenn., Jackson, Miss. and Meridian. The new plan will supplement its overnight freight service from Chicago and St. Louis, Mo. and from Louisville, Ky. and New Orleans, La. Under the new arrangement, the fourth-class rate will apply and will cover movement from the break-bulk point if distribution is begun within 48-hr. after arrival. At present the merchandise moves from factory to break-bulk points on a carload rate and from the latter to points of consumption on a class rate.

Canada Transport Commission Has New Head

Col. James Albert Cross, a lawyer of Regina, Sask., and former Attorney General of Saskatchewan, has been appointed chief commissioner of the Board of Transport Commissioners of Canada. The appointment, filling the vacancy created by death of Chief Commissioner Hugh Guthrie last November 3, was announced last week by Prime Minister W. L. Mackenzie King. Col. Cross becomes the ninth head of this body, which was formerly known as the Board of Railway Commissioners but which was reorganized several years ago when its jurisdiction was extended to cover airlines and shipping.

Born 63 years ago in Caledonia Springs, Ont., Col. Cross studied law in Saskatchewan and has practiced at Regina for many years. He served with distinction in the World War and has been active in veterans' activities and in provincial politics.

Rate "Stabilization" in Central Territory

Going along on an "agreement" for the "stabilization" of rates in Central territory, railroads serving that section have revised the recently-published forwarder-competitive tariffs insofar as they apply within that area and published new schedules effective March 15. Generally speaking the "stabilized" rates will be on the basis prescribed for the motor carriers in Ex Parte MC-21, also effective March 15; and the forwarders will adjust their charges to that general level.

Comment on this "agreement" was included in our traffic "box" entitled "Shadow-Boxing with Transportation Chaos" which appeared in the *Railway Age* of February 24, page 352.

Freight Car Loading

Loading of revenue freight for the week ended February 24 totaled 595,032 cars,

the Association of American Railroads announced on February 29. This was a decrease of 12,892 cars, or 2.1 per cent, below the preceding week, but an increase of 38,290 cars, or 6.9 per cent, above the same week in 1939, and an increase of 83,093 cars, or 16.2 per cent, over the corresponding week in 1938.

Loadings of revenue freight for the week ended February 17 totaled 607,924 cars, according to the Association of American Railroads. This was a decrease of 18,979 cars, or 3.0 per cent below the preceding week, but an increase of 31,279 cars, or 5.4 per cent above the corresponding week in 1939, and an increase of 72,058 cars, or 13.4 per cent above the same week in 1938.

The summary as compiled by the Car Service Division, A. A. R., follows:

Revenue Freight Car Loadings			
For Week Ended Saturday, February 17			
Districts	1940	1939	1938
Eastern	129,898	128,131	113,767
Allegheny	124,059	113,197	97,669
Pocahontas	45,801	40,117	34,984
Southern	97,937	91,683	89,899
Northwestern	71,968	68,427	64,220
Central Western	92,852	91,374	89,515
Southwestern	45,409	43,716	45,812
Total Western Districts	210,229	203,517	199,547
Total All Roads	607,924	576,645	535,866
Commodities			
Grain and grain products	30,897	28,582	31,875
Live stock	11,083	11,120	11,203
Coal	131,734	125,978	102,679
Coke	10,007	7,656	5,415
Forest products	30,532	24,403	26,286
Ore	9,789	8,944	8,160
Merchandise l.c.l.	142,987	148,244	146,915
Miscellaneous	240,895	221,718	203,333
February 17	607,924	576,645	535,866
February 10	626,903	576,352	542,991
February 3	657,004	573,127	564,740
January 27	649,488	590,459	553,176
January 20	645,822	586,656	570,233
Cumulative Total, 7 Weeks	4,447,246	4,014,854	3,900,314

In Canada.—Carloadings for the week ended February 17 totaled 45,402, as compared with 49,734 in the previous week and 39,886 in the comparable 1939 week,

according to the compilation of the Dominion Bureau of Statistics.

	Total Cars Loaded	Total Cars Rec'd from Connections
Total for Canada:		
Feb. 17, 1940	45,402	22,939
Feb. 10, 1940	49,734	24,721
Feb. 3, 1940	50,607	25,512
Feb. 18, 1939	39,886	21,461
Cumulative Totals for Canada:		
Feb. 17, 1940	330,669	166,841
Feb. 18, 1939	277,967	147,150
Feb. 19, 1938	313,438	153,869

Senate Committee Approves Miller Reappointment to I. C. C.

The Senate committee on interstate commerce on February 26 reported favorably the nomination of Interstate Commerce Commissioner Carroll Miller for a new term expiring December 31, 1946. As noted in the *Railway Age* of January 27, page 225, President Roosevelt reappointed Commissioner Miller on January 25; the commissioner's term had expired on December 31, but he has continued to serve under that provision of the Interstate Commerce Act which permits a member of the commission to remain in office until his successor qualifies.

Section Men Win Wages Suit Against A. C. L.

Five maintenance-of-way employees of the Atlantic Coast Line who brought suit against the railroad on alleged charges of violation of the Fair Labor Standards Act were upheld in a decision recently handed down by Judge Isaac Meekins in the United States district court at Fayetteville, N. C. The plaintiffs, who claimed that the A. C. L. had been charging them excessive rental for housing in converted box cars in an attempt to show a legal hourly wage-rate of 30 cents per hour or over on the books, and sued under Section 16 (b) of the act, were awarded about \$100 each plus court costs and attorney's fees of \$100 for each case. The suit was brought independently of the injunction suit brought by the Wage and Hour division of the Department of Labor in the

district court at Richmond in 1939 covering pay deductions of roadway employees (reported in the *Railway Age* of May 13, 1939, page 847).

Colonel P. B. Fleming, recently appointed administrator of the Division, in a statement to the press, referred to the verdict against the Coast Line as presenting "a very serious situation to the railroad as similar suits may be brought by other workers."

New Haven Ordered to Re-Open 32 Stations

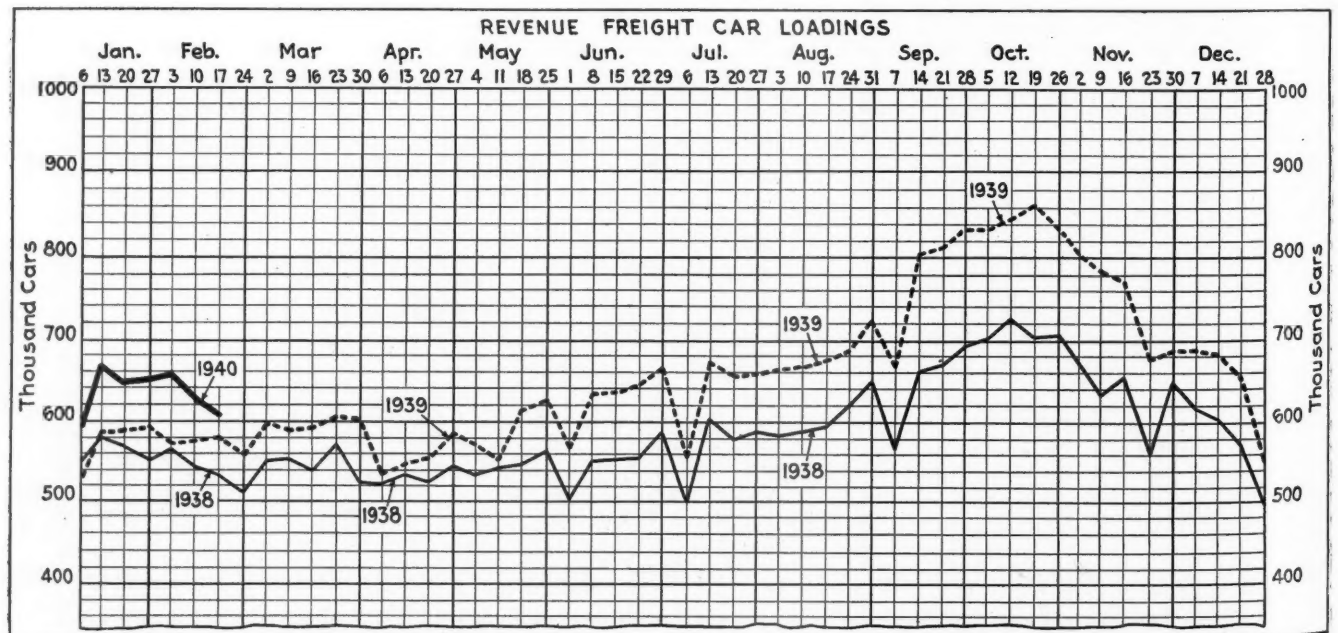
The Massachusetts Department of Public Utilities has ordered the New York, New Haven & Hartford to re-open by March 10, 32 of a total of 88 passenger stations in the Boston area which were closed July, 1938, pursuant to an order of the federal district court at New Haven, Conn., which has jurisdiction over the railroad's reorganization. The state board's action follows a U. S. Supreme Court decision of November 6, 1939, which denied bankruptcy courts authority to authorize discontinuance of intrastate passenger services "over the head" of the state regulatory body.

The majority of the 32 stations ordered re-opened are located in the Boston metropolitan area. In view of the fact that many of the stations affected are destroyed or in disrepair and that many of them are in close proximity to each other (the West Roxbury and Spring street stations are only .32 of a mile apart) the board has relieved the railroad from maintaining standard buildings or agents but requires that suitable shelters be maintained.

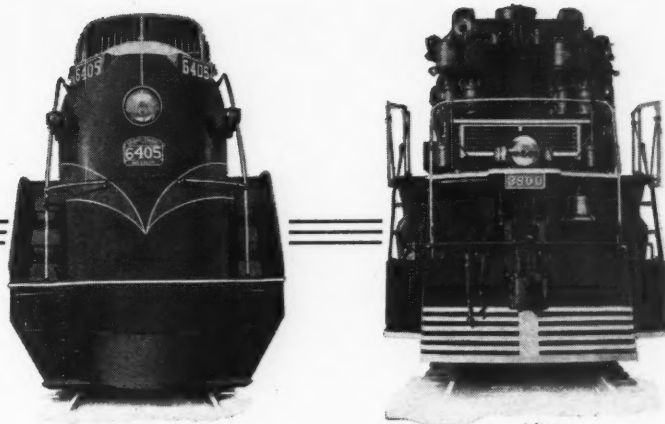
The board also ordered the road to operate a daily round-trip between Yarmouth and Provincetown on Cape Cod between June 24 and September 8.

Would Change Titles of I. C. C. Inspectors

Representative Lea, Democrat of California, has introduced in the House H.R. 8510, a bill to amend the Locomotive In-



Continued on next left-hand page



NEW LOCOMOTIVES

should receive first consideration in the
spending of the improvement dollar

because

1 "Operating Expense" is the largest item of the
railroad cost.

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motive can produce the maximum return on the
invested dollar.

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dollar POWER WITH LIMA.



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spection Act of February 17, 1911, as amended, so as to change the title of the chief inspector and assistant chief inspectors of locomotive boilers. The title "chief inspector" would be changed to "director of locomotive inspection"; while the title "assistant chief inspectors" would read "assistant directors of locomotive inspection."

An identical bill (S. 3440) has been offered in the Senate by Senator Wheeler, Democrat of Montana.

Money for Rivers and Harbors

Appropriations aggregating \$66,721,510 for maintenance and improvement work on rivers and harbors are carried in the War Department civil functions appropriation bill for the fiscal year ended June 30, 1941, which was reported to the House of Representatives on February 27 by the House committee on appropriations. The comparable figure for the current fiscal year ending next June 30 is \$96,000,000 while the budget estimate for fiscal 1941 was \$68,773,050.

The reduction under the budget figure came about as a result of the elimination by the committee of \$700,000 for harbor work at Wake Island, and a cut of \$1,351,540 in the allotment for maintenance of rivers and harbors improvements. The aforementioned \$66,721,810 appropriation would be divided into \$42,421,510 for maintenance and \$24,300,000 for new work.

Testimony taken by a sub-committee of the appropriations committee was made public when the bill was reported. It revealed that Major General Schley had told the sub-committee that approximately \$230,000,000 would be required to complete authorized rivers and harbors projects. Also he reiterated the statement in his annual report (see *Railway Age* of January 20, page 179) that \$73,226,800 could be "profitably" spent for new rivers and harbors work during fiscal 1941.

What Happens "When the Rivers Freeze"?

When government-improved rivers freeze solid, as did the Mississippi and Ohio systems this winter, the railroads carry the load and must maintain sufficient facilities all during the year to care for this "Indian-giver" traffic. So says the Association of American Railroads in a recent pamphlet entitled "When the Rivers Freeze" which it has issued for public distribution. Therein it is pointed out the relatively few large industries which make extensive use of costly river channels to put money in their own pockets insist on adequate railroad service "when the going gets tough" and rivers freeze up or water gets low.

This winter, for instance, the Ohio and Monongahela rivers froze and the railroads hauled more than 600 cars of coal every day into the Pittsburgh-Wheeling area which ordinarily go by barge. "Sound economic sense would say that if the railroads must be there anyhow, and must be prepared to handle the business when the rivers freeze or fail, it would be better to use the rail facilities and equipment all the time."

The A. A. R. has also available for distribution reprints of an address "A National Transportation Policy" given by

Senator Clyde M. Reed before the National Industrial Traffic League at Chicago on November 21, 1939 (reported in the *Railway Age* of November 25, page 817).

New York's Big Passenger Stations Take Inventory

The Pennsylvania and New York Central have been doing some addition in connection with their New York city passenger terminals—namely "Penn Station" and Grand Central, respectively. The Pennsylvania declares that a total of 69,662,810 passengers arrived and departed on railroad trains at its station during 1939 and claims that this record establishes it as the busiest railroad terminal in the United States. Due principally to World's Fair traffic, the 1939 total exceeds by more than 16,000,000 the figure for 1938 and represents the largest volume of travel to and from the station ever recorded in a single year. The busiest year previously was 1930, when 65,885,291 passengers were counted. Of the total passenger volume at the station during 1939, a total of 54,599,275 were patrons of the Long Island; 13,587,976 of the Pennsylvania; 931,185 of the New York, New Haven & Hartford and 544,374 of the Lehigh Valley.

The New York Central handled a total of 20,951,469 passengers at Grand Central terminal during 1939, of which 4,067,208 were through and 16,884,261 were suburban. The number of through passengers was an increase of 47,721 over that of the preceding year. In addition, the New York, New Haven & Hartford handled 8,947,455 full-fare passengers and 8,361,219 commuters. The grand total of passengers handled through the terminal by both roads was 38,260,143.

Republic Stainless Steel Plant Enlarged

On February 27, the Republic Steel Corporation formally placed in operation improved and greatly expanded stainless steel facilities at Canton and Massillon, Ohio, to meet not only industrial demands, but railway needs for all grades of stainless steel used in car construction. The stainless steel finishing department at Massillon now occupies all wings of a 5-acre building. The plant was previewed on February 27 by a large group of newspaper and trade paper editors, who also inspected a 25-ton electric furnace transferred from Buffalo and a completely new 50-ton unit which was recently added to the company's battery of six electric furnaces at Canton, where the stainless steel is produced.

With the exception of the hot rolling of coils which is done at nearby Warren, Ohio, Republic has now concentrated all its stainless steel operations in the company's plants at Canton and Massillon. The improved and expanded facilities give Republic a stainless capacity in the strip department alone of 1200 tons per month.

With the new facilities, Republic will be able to produce coils of cold-rolled stainless strip as narrow as 1/4 in. and as wide as 23 15/16 in. Polishing, which used to be done by the inch, is now done by the foot, the Massillon plant being equipped to polish a sheet 68 in. wide by 24 ft. long.

All Republic's stainless, which is sold

under the trade name Enduro, is produced at the east-end plant in Canton. Except for the hot rolling of coils, all the finishing and processing is now done in the Canton and Massillon plants. Unpolished sheets and light plate are finished at Canton and polished sheets and plates and cold rolled strip are finished at Massillon. Part of the 5-acre building at Massillon had to be rebuilt to accommodate new equipment. Included there are three annealing and pickling lines which were moved from Republic's plant at Warren, and three new 4-high reversing mills, the largest of which is a 34-inch unit, and a new 2-high skin-pass mill.

New Record in Average Speed of Freight Trains

Railroads of the United States in 1939 attained a new high record in the average speed of freight trains, J. J. Pelley, president of the Association of American Railroads announced on February 28. The average speed, according to reports for the year which have just become available, was 62 per cent higher than in 1920.

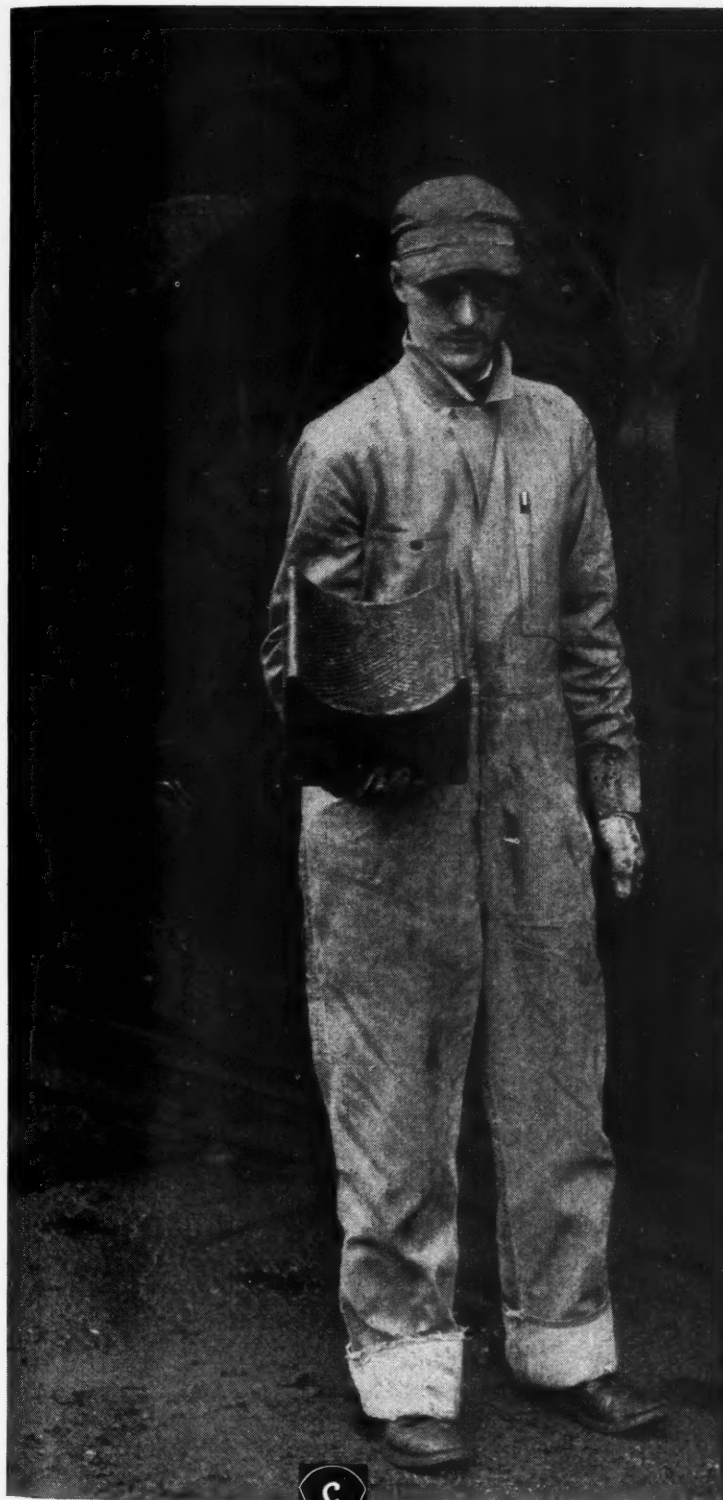
The average distance traveled per freight train per day in 1939, was 401 miles compared with 398 miles in 1938, and 386 miles in 1937. In 1920, the average was only 247 miles. This represents the average time required for the movement of all freight trains between terminals, including all delays en route.

"In the past 20 years there has been an almost constant increase in the speed of freight trains in this country with the result that today many are now being operated on what were formerly passenger schedules," Mr. Pelley points out. "This has resulted in a speeding up of freight service between the principal terminals in all parts of the country, with savings ranging from hours to days, (depending on the length of haul) being brought about in the movement of freight. This increase in the average speed of freight trains has been made possible not only by improvements in locomotive and freight car construction, but improvements in roadways, signals, and methods of operation which enable the railroads to expedite the movement of loaded freight cars through terminals and over the road."

New Fuel-Efficiency Record in 1939 Freight Service

A new high record in fuel efficiency in freight service was established by the railroads of the United States in 1939, J. J. Pelley, president of the Association of American Railroads announced on February 29. For each pound of fuel consumed in freight service, the railroads in 1939 hauled 8.89 tons of freight and equipment a distance of one mile, the highest average on record. In 1938, the average was 8.7 tons, and in 1937, it was 8.6 tons. In 1920, the average was only 5.8 tons.

On the basis of a haul per mile of 1,000 tons of freight and equipment, the railroads in 1939 used an average of 112 pounds of fuel, which amounted to an increase of 35 per cent in fuel efficiency compared with 20 years ago, at which time 172 pounds of fuel were required to perform the same service. In 1938, the average was 115



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10 lbs.*

... yet makes possible a better lubricating job

Weight has been drastically reduced in the new No. 8 Combined Lubricator & Spreader . . . and an even better lubricating job is being done. This has been made possible by the use of fabricated steel, and results in a stronger, more snugly fitting unit that weighs less than half of the old cast steel spreader, cellar and end plate. The new cellar, which weighs only 10 lbs. (43 lbs. less), is reversible and more easily handled. By reversing, tapered grease cakes may be fully consumed, thus increasing mileage and decreasing the cost of lubrication. Specify the Franklin No. 8 Lubricator & Spreader for new power and for replacements.

pounds, and in 1937 it was 117 pounds of fuel.

In passenger service the railroads in 1939 used 14.8 pounds of fuel in order to haul a passenger train car one mile, which represented an increase of 21 per cent in fuel efficiency in the passenger service, compared with 1920 when the average was 18.8 pounds. The average in 1939 was a decrease of one tenth of one pound compared with 1938, and a decrease of three tenths of one pound compared with 1937. "This improvement in fuel efficiency by the railroads of this country," Mr. Pelley said, "has been made possible by continued improvement in the construction of new locomotives, modernization of old locomotives, continued progress in scientific methods of treating boiler water in order to eliminate so far as possible ingredients harmful to locomotives, and improved methods of railroad operation."

June 18-20 Selected as Dates for Accounting Division Meeting

June 18, 19 and 20 have been selected as the dates for the next annual meeting of the Accounting Division, Association of American Railroads, to be held at the Greenbrier, White Sulphur Springs, W. Va., according to a February 26 announcement from the Division's chairman—J. W. Newell, chief accounting officer of the Wabash. On June 17, the day preceding the convention's opening, the usual "open-house" committee meetings will be held.

E. M. Thomas, comptroller of the Chesapeake & Ohio, is chairman of the committee on arrangements for the meeting; and representatives of member roads are urged by Chairman Newell to make every effort to attend. The agenda will be prepared by Secretary E. R. Ford and distributed in advance of the convention.

Jan. Truck Traffic Up 21 Per Cent—About Double R. R. Increase

January's volume of freight transported by motor carriers reporting to American Trucking Associations, Inc., represented a 1.4 per cent increase over December and a rise of 21.3 per cent as compared with January, 1939. In the four January weeks for which railroad carloadings were reported, L. C. I. loadings were 1.3 per cent less than in January, 1939, while miscellaneous loadings were up 12.5 per cent and total loadings up 11.6 per cent over a year ago.

The A. T. A. compilation, based on comparable reports from 197 motor carriers in 36 states, shows a January total of 866,012 tons as compared with 854,227 tons in December and 713,936 tons in January, 1939. Likewise the A. T. A. index number, based on the 1936 monthly average as 100, stood at 123.54 for January as compared in turn with December's 121.24 and January, 1939's 103.83.

"The reporting carriers," says the A. T. A. statement, "indicated the increases would have been more substantial had they not been handicapped by labor difficulties and unusually adverse weather conditions." Seventy-seven per cent of all the freight transported during the month by the reporting carriers consisted of general merchandise. The volume of this type of freight increased 3.8 per cent above Decem-

ber and was 22 per cent greater than in January, 1939. Petroleum products, which represented slightly more than 11 per cent of the total tonnage reported, showed increases in January of 13.5 per cent as compared with December, and 19.4 per cent as against January of last year. Movement of new automobiles and trucks in January decreased 7.2 per cent under December, but represented an increase of 51.7 per cent above January, 1939. The labor situation in the automobile industry was described as "quiet," and the 7.2 per cent decrease in tonnage under December was attributed to tapering off of production.

Iron and steel, representing four per cent of the total reported tonnage, showed a sharp drop of 24.3 per cent under the 1936 monthly average, and a decrease of 16 per cent under December. It showed an increase of 7.5 per cent as compared with January, 1939, however. Four per cent of the total tonnage reported was miscellaneous commodities, including tobacco, textile products, bottles, building materials, cement and household goods. Carriers in this group reported a decrease in tonnage of 16 per cent below December, and the amount of freight reported was virtually the same as the amount reported for January, 1939.

Seek President's View on Rivers and Harbors Authorizations

After looking over the work of its sub-committee which split the recommended \$412,000,000 rivers and harbors bill into three separate measures, the Senate committee on commerce voted on February 27 to send a delegation to confer with President Roosevelt as to his attitude with respect to the proposed authorizations. The delegation consists of Chairman Bailey, and Senator Sheppard of Texas, Democrats, and Senate Minority Leader McNary, Republican of Oregon.

As noted in previous issues, this pending rivers and harbors bill is H. R. 6264, which passed the House at the last regular session with authorizations totaling \$83,000,000 and was reported from the Senate commerce committee as a \$407,000,000 measure. The latter figure became the aforementioned \$412,000,000 as a result of certain revised figures submitted by the army engineers after the bill was reported to the Senate.

When opposition to the measure developed in the Senate, the bill was recommended at the request of Chairman Bailey. The committee on commerce then named the above-mentioned sub-committee to split the bill and frame separate measures to cover navigation projects, flood control work, hydroelectric schemes and mixed projects. At the February 27 meeting of the committee the sub-committee reported without recommendation three separate bills, one of which would have authorized navigation projects estimated to cost \$161,066,100. A motion that the committee report the \$83,000,000 House bill brought a protest from Senator Bilbo, Democrat of Mississippi, who is interested in the \$66,000,000 Tennessee-Tombigbee project which was not in the House bill but was among the projects added by the Senate committee. Mr. Bilbo followed through

on his protest with a motion, carried by and 11-to-2 vote, to name the above-mentioned delegation to confer with the President. In discussing the February 27 meeting of his committee Chairman Bailey indicated that he would favor holding the current rivers and harbors bill's total authorizations to under \$100,000,000.

Unions Urge Canal Tolls

(Continued from page 418)

per or receiver not located on the canal, but in favor of one transportation medium as against another." As for the alleged benefits to New York consumers, "we have yet to be shown where a bottle of milk of magnesia, a gallon of gasoline or an automobile that was transported over the canal could be purchased any cheaper by the consumer than the same consumer could purchase the same product which moved by rail or by highway."

It was his opinion that railroad rates could be greatly lowered if, like the canals, they were relieved of roadway costs and taxes. Furthermore, such rate reduction would not be confined to any particular locality or group but would appertain to territory covered by the 8,017 miles of railroad in the state. Of course, said he, it is "absurd" for the railroad industry to even suggest such subsidy, but it is equally absurd for another part of the transportation field to receive such preferential treatment.

Mr. Columbus' final statement read: "We employees of the railroads are not traffic experts, nor waterway engineers. We do have a very distinct idea of what subsidized competition has done to our industry. We do not relish the thought of having our ranks further depleted and we are convinced that it is not in the public interest to continue pouring our wages in the form of the taxes we pay into subsidized water transportation and we are decidedly and unalterably opposed to it. We are convinced that it is neither fair, nor just, nor economically sound. In the final analysis our plea is that you give the Barge canal back to the people to do with as they choose, tolls or not tolls. That will be the question for them to decide, but however that issue may be decided when the time comes, our plea is that you give the people a chance to decide it."

L. W. Horning, speaking for the Associated Railroads of New York State, presented a detailed economic analysis of all considerations meeting the arguments of the socialized transport contingent point by point. Among other questions, he estimated that each ton of freight passing through the canal is subsidized at the rate of \$2.40, exclusive of federal expenditures estimated at about \$36,000,000. He warned the legislators that a continuation of the present policy will damage a transportation agency far more useful to the state as a whole than the canal system; that the railroads are losing out is demonstrated by an increase of canal traffic of 64 per cent from 1929 through 1938 concurrent with a 40

Continued on next left-hand page



ORMSIDE VIADUCT

ENGLAND

This 576 ft. viaduct is situated near the depot of Appleby, and carries a double track on the former Settle & Carlisle Railroad, now part of the London, Midland & Scottish. It consists of 10 brick arches of 45 ft. span each. The height of the rails above the level of the River Eden beneath, is 87 ft.

* * * * *

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to the railroads for the purpose of improving the combustion of the steam locomotive. Since then locomotives have vastly improved, but American Arch Engineers have kept pace with these improvements and today the Security Sectional Arch is standard on American Railroads. Only with a complete arch can you realize the true economies of your Arch. Check every locomotive before it leaves your roundhouse.

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per cent decline in railroad tonnage in the state.

Mr. Horning further asserted that a toll-free canal discriminates against the shipping public. In the first place, the counties along the canal contain but 25 per cent of the states population (the "freedom" boosters claimed 79 per cent, but they counted in the Hudson River and New York city). Secondly, a study of canal traffic shows a preponderate use by a very few shippers or industries. In 1938, petroleum composed 44 per cent of the traffic, grain 21 per cent and stone, sand and gravel 5 per cent. Finally, said Mr. Horning, about 60 per cent of the tonnage is interstate and the subsidies lend financial aid to industries outside the state.

Susquehanna and O. & W. Combine Office Work

The New York, Susquehanna & Western, which has been operated by the Erie as a subsidiary for 42 years, and the New York, Ontario & Western opened joint accounting and traffic offices, effective March 1, and on the same date the former road set up new operating headquarters at Paterson, N. J. The Susquehanna, which went under trusteeship June 1, 1937, operates a total of 144 miles of line between Jersey City, N. J., and Stroudsburg, Pa., including a branch having connections over the Middletown & Unionville, a 15-mile short line, to Middletown, N. Y. The O. & W., in trusteeship since May 20, 1937, operates a total of 576 miles of road between Weehawken, N. J., and Oswego, N. Y., on Lake Ontario, with its operating headquarters at Middletown.

The alliance between the two roads is history repeating itself, since the O. & W.'s predecessor road, the New York & Oswego Midland, originally aided construction of the Susquehanna's predecessor road between Jersey City and Middletown and leased it as its route to New York until 1875. In 1881, the Susquehanna was reorganized as a separate road and since the purchase of over 99 per cent of its stock by the Erie in 1898 has been operated as a part of the Erie system. Meanwhile, in 1884, the O. & W. completed its present link with the West Shore (New York Central) which gives it entrance to the New York city area.

Walter Kidde, N. Y., S. & W. trustee, since he entered office has undertaken to establish the road as a separate entity in order to find out what its actual earning power is. He has contended, for example, that it is undesirable for his road and its bondholders to entrust its traffic solicitation to Erie officers, who thereby have double and conflicting responsibilities. The O. & W. maintains full accounting, auditing and traffic offices, and there is a community of interest between the railroads, as evidenced by the establishment in December of a joint anthracite route via Middletown and the M. & U. The O. & W. will move from its former headquarters at 370 Lexington avenue, New York, to 330 West 42nd street, where the joint offices will be established. Mr. Kidde will continue to maintain his office at 140 Cedar street.

The Susquehanna is establishing separate

operating offices in its old Straight street station in Paterson, N. J., rehabilitated for the purpose, and installed A. L. Kline, formerly superintendent, New York division, Erie, as general manager, and F. C. Kronauer, formerly division engineer, Erie, at Jersey City, as chief engineer whose appointments are reported elsewhere in this issue together with other joint officers. A dispatcher's office has also been established in the building.

Meetings and Conventions

The following list gives names of secretaries, dates of next or regular meetings and places of meetings:

- AIR BRAKE ASSOCIATION.—R. P. Ives, 350 Fifth Ave., New York, N. Y.
- ALLIED RAILWAY SUPPLY ASSOCIATION.—J. F. Gettrust, P. O. Box 5522, Chicago, Ill. Annual meeting, October 21-24, 1940, Hotel Sherman, Chicago, Ill.
- AMERICAN ASSOCIATION OF FREIGHT TRAFFIC OFFICERS.—W. R. Curtis, F. T. R. M. & O. R. R., 327 S. La Salle St., Chicago, Ill.
- AMERICAN ASSOCIATION OF GENERAL BAGGAGE AGENTS.—E. P. Soebbing, 1431 Railway Exchange Bldg., St. Louis, Mo. Annual meeting, October 22-24, 1940, Hollywood Beach, Fla.
- AMERICAN ASSOCIATION OF PASSENGER TRAFFIC OFFICERS.—B. D. Branch, C. R. R. of N. J., 143 Liberty St., New York, N. Y.
- AMERICAN ASSOCIATION OF RAILROAD SUPERINTENDENTS.—F. O. Whiteman, Union Station, St. Louis, Mo. Annual meeting, June 4-6, 1940, Hotel Stevens, Chicago, Ill.
- AMERICAN ASSOCIATION OF RAILWAY ADVERTISING AGENTS.—E. A. Abbott, Poole Bros., Inc., 85 W. Harrison St., Chicago, Ill.
- AMERICAN ASSOCIATION OF SUPERINTENDENTS OF DINING CARS.—F. R. Berger, C. I. & L. Ry., 836 S. Federal St., Chicago, Ill.
- AMERICAN RAILWAY BRIDGE AND BUILDING ASSOCIATION.—C. A. Lichty, 319 N. Waller Ave., Chicago, Ill. Annual meeting, October 15-17, 1940, Hotel Stevens, Chicago, Ill.
- AMERICAN RAILWAY CAR INSTITUTE.—W. C. Tabbert, 19 Rector St., New York, N. Y.
- AMERICAN RAILWAY DEVELOPMENT ASSOCIATION.—E. G. Reed, Union Pacific R. R., 1416 Dodge St., Omaha, Neb.
- AMERICAN RAILWAY ENGINEERING ASSOCIATION.—Works in cooperation with the Association of American Railroads, Engineering Division.—W. S. Lacher, 59 E. Van Buren St., Chicago, Ill. Annual meeting, March 12-14, 1940, Palmer House, Chicago, Ill.
- AMERICAN RAILWAY MAGAZINE EDITORS' ASSOCIATION.—M. W. Jones, Baltimore & Ohio R. R., 1105 B. & O. R. R. Bldg., Baltimore, Md.
- AMERICAN RAILWAY TOOL FOREMEN'S ASSOCIATION.—G. G. Macina, C. M. St. P. & P. R. R., 11402 Calumet Ave., Chicago, Ill.
- AMERICAN SHORT LINE RAILROAD ASSOCIATION.—J. H. Hunt, Tower Bldg., Washington, D. C.
- AMERICAN SOCIETY OF MECHANICAL ENGINEERS.—C. E. Davies, 29 W. 39 St., New York, N. Y. Spring meeting, May 1-3, 1940, Hotel Bancroft, Worcester, Mass. Semi-annual meeting, June 17-20, 1940, Pfister Hotel, Milwaukee, Wis. Fall meeting, September 3-5, 1940, Davenport Hotel, Spokane, Wash. Annual meeting, December 2-6, 1940, New York, N. Y.
- Railroad Division.—Marion B. Richardson, 21 Hazel Ave., Livingston, N. J.
- AMERICAN TRANSIT ASSOCIATION.—Guy C. Hecker, 292 Madison Ave., New York, N. Y.
- AMERICAN WOOD PRESERVERS' ASSOCIATION.—H. L. Dawson, 1427 Eye St., N. W., Washington, D. C. Annual meeting, 1941, Louisville, Ky.
- ASSOCIATION OF AMERICAN RAILROADS.—H. J. Forster, Transportation Bldg., Washington, D. C.
- Operations and Maintenance Department.—Charles H. Buford, Vice-President, Transportation Bldg., Washington, D. C.
- Operating-Transportation Division.—L. R. Knott, 59 E. Van Buren St., Chicago, Ill.
- Operating Section.—J. C. Caviston, 30 Vesey St., New York, N. Y.
- Transportation Section.—L. R. Knott, 59 E. Van Buren St., Chicago, Ill.
- Fire Protection and Insurance Section.—W. F. Steffens, New York Central, Room 3317, 230 Park Avenue, New York, N. Y.
- Freight Station Section.—L. R. Knott, 59 E. Van Buren St., Chicago, Ill.
- Medical and Surgical Section.—J. C. Caviston, 30 Vesey St., New York, N. Y.
- Protective Section.—J. C. Caviston, 30 Vesey St., New York, N. Y.
- Safety Section.—J. C. Caviston, 30 Vesey St., New York, N. Y.
- Telegraph and Telephone Section.—W. A. Fairbanks, 30 Vesey St., New York, N. Y. Annual meeting, September 10-12, 1940, Chateau Laurier, Ottawa, Ontario, Canada.
- Engineering Division.—W. S. Lacher, 59 E. Van Buren St., Chicago, Ill. Annual meeting, March 12-14, 1940, Palmer House, Chicago, Ill.
- Construction and Maintenance Section.—W. S. Lacher, 59 E. Van Buren St., Chicago, Ill. Annual meeting, March 12-14, 1940, Palmer House, Chicago, Ill.
- Electrical Section.—W. S. Lacher, 59 E. Van Buren St., Chicago, Ill.
- Signal Section.—R. H. C. Balliet, 30 Vesey St., New York, N. Y. Annual meeting, October 8-10, 1940, Wardman Park Hotel, Washington, D. C.
- Mechanical Division.—V. R. Hawthorne, 59 E. Van Buren St., Chicago, Ill. Annual meeting, June 27-28, 1940, Hotel Stevens, Chicago, Ill.
- Electrical Section.—J. A. Andreucetti, 59 E. Van Buren St., Chicago, Ill.
- Purchases and Stores Division.—W. J. Farrell, 30 Vesey St., New York, N. Y.
- Freight Claim Division.—Lewis Pilcher, 59 E. Van Buren St., Chicago, Ill. Annual meeting, May 21-23, 1940, Chicago, Ill.
- Motor Transport Division.—George M. Campbell, Transportation Bldg., Washington, D. C.
- Car-Service Division.—E. W. Coughlin, Transportation Bldg., Washington, D. C.
- Finance, Accounting Taxation and Valuation Department.—E. H. Bunnell, Vice-President, Transportation Bldg., Washington, D. C.
- Accounting Division.—E. R. Ford, Transportation Bldg., Washington, D. C. Annual meeting, 1940, White Sulphur Springs, W. Va.
- Treasury Division.—E. R. Ford, Transportation Bldg., Washington, D. C.
- Traffic Department.—A. F. Cleveland, Vice-President, Transportation Bldg., Washington, D. C.
- ASSOCIATION OF RAILWAY CLAIM AGENTS.—F. L. Johnson, Claim Agent, Alton R. R., 340 W. Harrison St., Chicago, Ill. Annual meeting, May 15-17, 1940, Providence Biltmore Hotel, Providence, R. I.
- BRIDGE AND BUILDING SUPPLY MEN'S ASSOCIATION.—W. S. Carlisle, National Lead Company, 900 W. 18 St., Chicago, Ill. Meets with American Railway Bridge and Building Association.
- CANADIAN RAILWAY CLUB.—C. R. Crook, 4468 Oxford Ave., N. D. G., Montreal, Que. Regular meetings, second Monday of each month except June, July and August, Windsor Hotel, Montreal, Que.
- CAR DEPARTMENT ASSOCIATION OF ST. LOUIS, MO.—J. J. Sheehan, 1101 Missouri Pacific Bldg., St. Louis, Mo. Regular meetings, third Tuesday of each month, except June, July and August, Hotel De Soto, St. Louis, Mo.
- CAR DEPARTMENT OFFICERS' ASSOCIATION.—Frank Kartheiser, Chief Clerk, Mechanical Dept., C. B. & O., Chicago, Ill. Annual meeting, October 21-24, 1940, Hotel Sherman, Chicago, Ill.
- CAR FOREMEN'S ASSOCIATION OF CHICAGO.—G. K. Oliver, 2514 W. 55th St., Chicago, Ill. Regular meetings, second Monday of each month, except June, July and August, La Salle Hotel, Chicago, Ill.
- CENTRAL RAILWAY CLUB OF BUFFALO.—Mrs. M. D. Reed, 1817 Hotel Statler, McKinley Square, Buffalo, N. Y. Regular meetings, second Thursday of each month, except June, July and August, Hotel Statler, Buffalo, N. Y.
- EASTERN ASSOCIATION OF CAR SERVICE OFFICERS.—J. T. Bougher, 424 W. 33rd St. (11th floor), New York, N. Y.
- INTERNATIONAL RAILWAY GENERAL FOREMEN'S ASSOCIATION (See Locomotive Maintenance Officers' Association).
- INTERNATIONAL RAILWAY MASTER BLACKSMITHS' ASSOCIATION.—W. J. Mayer, Michigan Central R. R., Detroit, Mich.
- LOCOMOTIVE MAINTENANCE OFFICERS' ASSOCIATION.—J. E. Goodwin, Gen. Foreman, Loco. Dept., Missouri Pacific R. R., No. Little Rock, (P. O. Little Rock), Ark. Annual meeting, October 21-24, 1940, Hotel Sherman, Chicago, Ill.
- MASTER BOILER MAKERS' ASSOCIATION.—A. F. Stiglmeier, 29 Parkwood St., Albany, N. Y. Annual meeting, October 21-24, 1940, Hotel Sherman, Chicago, Ill.
- NATIONAL ASSOCIATION OF RAILROAD AND UTIL-

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TIES COMMISSIONERS.—Clyde S. Bailey, New Post Office Bldg., Washington, D. C. Annual meeting, December 10-12, 1940, Miami, Fla.

NATIONAL RAILWAY APPLIANCE ASSOCIATION.—C. H. White, Room 1826, 208 S. La Salle St., Chicago, Ill. Exhibit in connection with A. R. E. A. Convention, March 11-14, 1940, International Amphitheatre, Chicago, Ill.

NEW ENGLAND RAILROAD CLUB.—W. E. Cade, Jr., 683 Atlantic Ave., Boston, Mass. Regular meetings, second Tuesday of each month, except June, July, August and September, Hotel Touraine, Boston, Mass.

NEW YORK RAILROAD CLUB.—D. W. Pye, 30 Church St., New York, N. Y. Regular meetings, third Thursday of each month, except June, July, August, September and December, 29 W. 39th St., New York, N. Y.

PACIFIC RAILWAY CLUB.—William S. Wollner, P. O. Box 3275, San Francisco, Cal. Regular meetings, second Thursday of each alternate month, at Palace Hotel, San Francisco, and second Friday of each alternate month at Hotel Hayward, Los Angeles.

RAILWAY BUSINESS ASSOCIATION.—P. H. Middleton, First National Bank Bldg., Chicago, Ill.

RAILWAY CLUB OF PITTSBURGH.—J. D. Conway, 1941 Oliver Bldg., Pittsburgh, Pa. Regular meetings, fourth Thursday of each month, except June, July and August, Fort Pitt Hotel, Pittsburgh, Pa.

RAILWAY ELECTRIC SUPPLY MANUFACTURERS' ASSOCIATION.—J. McC. Price, Allen-Bradley Company, 600 W. Jackson Blvd., Chicago, Ill.

RAILWAY FUEL AND TRAVELING ENGINEERS' ASSOCIATION.—T. Duff Smith, 1255 Old Colony Bldg., Chicago, Ill. Annual meeting, October 21-24, 1940, Hotel Sherman, Chicago, Ill.

RAILWAY SUPPLY MANUFACTURERS' ASSOCIATION.—J. D. Conway, 1941 Oliver Bldg., Pittsburgh, Pa.

RAILWAY TELEGRAPH AND TELEPHONE APPLIANCE ASSOCIATION.—G. A. Nelson, Waterbury Battery Company, 30 Church St., New York, N. Y. Meets with Telegraph and Telephone section of A. A. R.

RAILWAY TIE ASSOCIATION.—Roy M. Edmonds, 903 Syndicate Trust Bldg., St. Louis, Mo. Annual meeting, May 14-15, 1940, Brown Hotel, Louisville, Ky.

ROADMASTERS' AND MAINTENANCE OF WAY ASSOCIATION.—C. A. Lichty, 319 N. Waller Ave., Chicago, Ill. Annual meeting, September 10-12, 1940, Hotel Stevens, Chicago, Ill.

SIGNAL APPLIANCE ASSOCIATION.—G. A. Nelson, Waterbury Battery Company, 30 Church St., New York, N. Y. Meets with A. A. R., Signal Section.

SOUTHERN AND SOUTHWESTERN RAILWAY CLUB.—A. T. Miller, 4 Hunter St., S. E., Atlanta, Ga. Regular meetings, third Thursday in January, March, May, July, September and November, Ansley Hotel, Atlanta, Ga.

SOUTHERN ASSOCIATION OF CAR SERVICE OFFICERS.—D. W. Brantley, C. of Ga. Ry., Savannah, Ga.

TORONTO RAILWAY CLUB.—D. M. George, P. O. Box 8, Terminal "A," Toronto, Ont. Regular meetings, fourth Monday of each month, except June, July and August, Royal York Hotel, Toronto, Ont.

TRACK SUPPLY ASSOCIATION.—Lewis Thomas, Q. & C. Company, 59 E. Van Buren St., Chicago, Ill. Meets with Roadmasters' and Maintenance of Way Association.

UNITED ASSOCIATIONS OF RAILROAD VETERANS.—Roy E. Collins, 112 Hatfield Place, Port Richmond, Staten Island, N. Y. Annual meeting, October 12-13, 1940, Hotel Buena Vista, Biloxi, Miss.

WESTERN RAILWAY CLUB.—W. L. Fox (Executive Secretary), Room 822, 310 South Michigan Ave., Chicago, Ill. Regular meetings, third Monday of each month, except June, July, August and September, Hotel Sherman, Chicago, Ill.

Construction

LEHIGH VALLEY.—The J. K. Welding Company, Inc., Long Island City, N. Y., has been awarded a contract for a transfer bridge pontoon to be used in connection with its railroad car float at 149th street, New York. The pontoon has a length of 50 ft., a beam of 32 ft., and a depth of 8 ft.

LONG ISLAND.—Bids were received on February 28 for the general contract, which will include about 9,500 tons of steel, for work on the first section of the Rockaway Beach grade crossing elimination project on Long Island.

Equipment and Supplies

LOCOMOTIVES

THE ATCHISON, TOPEKA & SANTA FE is considering the purchase of Diesel-electric passenger locomotives.

THE CHICAGO, MILWAUKEE, ST. PAUL & PACIFIC is considering the acquisition of 16 heavy-yard and 2 light-weight branch-line Diesel-electric locomotives under a lease-purchase plan which provides for 96 monthly payments.

FREIGHT CARS

THE NEW YORK CENTRAL has ordered 500 covered hopper cars of 70 tons' capacity from the Despatch Shops, Inc.

THE CHICAGO, BURLINGTON & QUINCY is inquiring for 50 steel-sheathed box cars with perforated steel lining of 50 tons' capacity and 50 ft. 6 in. long.

THE GENERAL AMERICAN TRANSPORTATION CORPORATION will build in its own shops 500 refrigerator cars to be operated by them.

THE ATCHISON, TOPEKA & SANTA FE has ordered 27 ore cars of 100 tons' capacity from the Pressed Steel Car Company. Inquiry for this equipment was reported in the *Railway Age* of November 4, page 725.

THE ST. LOUIS REFRIGERATOR CAR COMPANY, St. Louis, Mo., has placed an order with company shops for the construction of 25 all-plywood refrigerator cars. Work was started on January 15, and four cars have been completed.

THE GULF, MOBILE & NORTHERN is inquiring for 1,450 freight cars to include 1,000 steel-sheathed box cars of 40 tons' capacity, 200 triple hopper cars of 70 tons' capacity and 250 twin hopper cars of 50 tons' capacity.

THE WESTERN ASSOCIATION OF RAILWAY EXECUTIVES is investigating the feasibility of a pool-purchase of large quantities of standardized covered hopper cars. The study does not involve the pooling of ownership or operation. The purpose of the study is to determine what advantages will result if several railroads purchase the same type of car at the same time. Thus far a committee made up of representatives of several railroads has decided upon a standard design and the association has received bids from the car builders on lots of 500 cars and more. After the bids are analyzed the association will present its findings to member roads for action. At the present time, eight railroads are definitely interested and more are expected to participate if the pool-purchase plan offers substantial inducement.

PASSENGER CARS

THE FT. WORTH & DENVER CITY and THE COLORADO & SOUTHERN, subsidiaries of the Chicago, Burlington & Quincy, have

placed orders for the equipment for Zephyrs 11 and 12, the Texas Zephyrs. As reported in the *Railway Age* of January 27, the trains will be placed in service this summer between Dallas, Tex., and Ft. Worth and Denver, Colo. The two units comprising the 4,000 hp. Diesel-electric locomotive of each train will be built by the Electro-Motive Corporation and the stainless-steel mail express, the baggage-coach, the two deluxe chair, and the dining-lounge cars will be built by the Edward G. Budd Manufacturing Company. The remaining three cars of the 10 units comprising each train will be standard Pullman sleeping cars. Another order placed with the Budd Company is for 5 stainless steel passenger cars, including 1 diner-lounge, 3 coaches and 1 baggage car, which will be used on principal trains operating out of Chicago.

Supply Trade

William C. Dickerman, president, American Locomotive Company, has been elected chairman of the board and Duncan W. Fraser, vice-president in charge of manufacturing, has been elected president to succeed Mr. Dickerman. Robert B. McColl, vice-president in charge of the Alco Products Division, succeeds Mr. Fraser as vice-president in charge of manufacturing, all with headquarters at New York, effective March 1.

I. F. Nelis, district manager of the New York office of the Bendix-Westinghouse Automotive Air Brake Company, on March 1 assumed charge of its Chicago office, with the same title. He succeeds R. H. Casler, who has been transferred to the Bendix-Westinghouse general office, Pittsburgh, Pa., as experimental engineer. A. R. Leukhardt, district engineer at New York is now acting district manager in charge of the New York office. J. F. Shumaker has been appointed field engineer, New York. E. W. McKay becomes district representative for the territory Philadelphia, Pa., to Pittsburgh, with headquarters at Pittsburgh; C. R. Mitchell has been appointed Philadelphia representative, in charge of the Philadelphia office, succeeding Mr. McKay. R. B. Miller becomes representative at Denver, Col., and has been succeeded as Cincinnati, Ohio, representative by H. M. Hassler, formerly on the staff at the general office.

Frank W. Lampton, representative of the Hunt-Spiller Manufacturing Corporation, Boston, Mass., in the southwest, has been appointed assistant sales manager, and Kenneth A. Craig, locomotive inspector of the Kansas City Southern, has been appointed representative of the Hunt-Spiller Manufacturing Corporation in the territory formerly covered by Mr. Lampton. Mr. Lampton served his machinist's apprenticeship with the St. Louis-San Francisco, and from 1916 to 1923 as foreman at various places on the system. He was then appointed general foreman at Springfield, Mo., serving until January 1,



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1926, when he was appointed representative of the Hunt-Spiller Manufacturing Corporation. Mr. Craig took an engineering course at the Carnegie Institute of Technology, Pittsburgh, Pa. He entered the employ of the Erie in 1918 as machinist's apprentice and later he served consecutively as junior valuation engineer and chief dynamometer and track inspection car operator, having charge of all road tests. In February, 1928, he went to the Kansas City Southern as dynamometer engineer, in charge of road and locomotive tests; he was appointed travelling locomotive inspector in 1937, and during the past year has had charge of operation and maintenance of Diesel-electric locomotives.

Financial

AKRON, CANTON & YOUNGSTOWN.—*Submission of Reorganization Plan.*—The Interstate Commerce Commission has announced that it is submitting a plan of reorganization of this company, approved by it and the United States District Court for the Northern District of Ohio, to creditors for their acceptance or rejection. Only those holding securities or claims on February 20, 1940, will be entitled to vote on the plan, and all ballots must be filed with the commission on or before April 30, 1940.

BALTIMORE & OHIO.—*Correction.*—It was incorrectly stated in the February 24 issue, page 387, that the Baltimore & Ohio had purchased the Winchester & Wardensville. The fact is, that that road was purchased at a public auction by its former receiver, D. H. Sencindiver, who was a majority holder of the bonds outstanding. The Baltimore & Ohio owns none of the stock of either the old or the new company.

CAROLINA, CLINCHFIELD & OHIO.—*Purchase.*—This company has been authorized by Division 4 of the Interstate Commerce Commission to purchase the properties of the Clinchfield Northern.

CHESAPEAKE & OHIO.—*New Directors Elected.*—Three new directors were nominated to the board of this railroad at a meeting held in Richmond, Va., on February 20. They are: Harvey D. Gibson, president, Manufacturers Trust Company; Harvey C. Thompson, vice-president, Continental Bank & Trust Co.; and James G. Blane, president, Marine Midland Bank Company, all of New York. The nominations will be acted upon at the annual stockholders meeting, scheduled for April 23. If carried through, the board of the road will be enlarged thereby to 14 members.

COLORADO & SOUTHERN.—*Lease of the Fort Worth & Denver City and the Wichita Valley.*—This company would be authorized to lease the properties of the Fort Worth & Denver City and the Wichita Valley if the Interstate Commerce Commission adopts a recommended report of its Examiner W. J. Schutrumpf. At the same time Examiner Schutrumpf recommends

that the commission authorize this company to assume liability, as lessee, for the payment of the principal and interest on a note of the Fort Worth & Denver City for \$8,176,000 now held by the Reconstruction Finance Corporation. The Colorado & Southern now owns all the outstanding capital stock of both companies which would be leased.

ILLINOIS CENTRAL.—*Dismissal of Application.*—Division 4 of the Interstate Commerce Commission has dismissed, at this company's own request, its application for authority to pledge and repledge from time to time to and including May 31, 1944, as additional security for loans from the Reconstruction Finance Corporation, \$5,118,000 of joint first refunding mortgage bonds, series A, in addition to \$6,486,000 of such bonds authorized to be pledged by an order of the commission.

PITTSBURGH & WEST VIRGINIA.—*Salvage of Hopper Cars.*—Division 4 of the Interstate Commerce Commission has modified certain of its outstanding orders so as to permit this company to sell for salvage an additional 575 hopper cars and use the proceeds to make payments on existing equipment trust certificates.

ST. LOUIS-SAN FRANCISCO.—*Purchase.*—This company has been authorized by Division 4 of the Interstate Commerce Commission to purchase (1) a line of railroad, owned by the Choctaw, Oklahoma & Gulf, extending from Frisco Junction, Okla., to Ardmore, 13.8 miles; and (2) the entire terminal facilities and appurtenances owned by the Choctaw, Oklahoma & Gulf within the city of Ardmore, Okla. The purchase price for the properties is \$250,000, which sum will be paid in cash.

TENNESSEE CENTRAL.—*Pledge of Bonds.*—Division 4 of the Interstate Commerce Commission has modified its order of January 7, 1937, so as to permit this company to pledge and repledge from time to time to and including December 31, 1941, as collateral security for a promissory note or notes, or for any note or notes issued in renewal thereof in whole or in part, to be issued within the limitations of the section of the Interstate Commerce Act dealing with short-term loans, \$5,500,000 of four per cent first mortgage, series A, bonds.

Average Prices of Stocks and Bonds

	Feb. 27	Last week	Last year
Average price of 20 representative railway stocks...	31.51	31.94	32.69
Average price of 20 representative railway bonds...	58.68	59.28	62.59

Dividends Declared

Alabama & Vicksburg.—Capital, 3 per cent, semi-annually, payable April 1 to holders of record March 8.
Boston & Albany.—\$2.00, payable March 30 to holders of record February 29.
Beech Creek.—50¢, quarterly, payable April 1 to holders of record March 15.
Chesapeake & Ohio.—62½¢; Preferred A, \$1.00, quarterly, both payable April 1 to holders of record March 8.
Erie & Pittsburgh.—87½¢, quarterly, payable March 9 to holders of record February 29.
Union Pacific.—\$1.50; Preferred, \$2.00, semi-annually, both payable April 1 to holders of record March 2.
Vicksburg, Shreveport & Pacific.—Common, 2½ per cent, semi-annually; Preferred, 2½ per cent, semi-annually, both payable April 1 to holders of record March 8.

Railway Officers

N. Y. S. & W. Appoints Separate and Joint Officers

The New York, Susquehanna & Western, hitherto operated as a subsidiary of the Erie, has established separate officers for chief executive and operating functions and appointed traffic, accounting and mechanical department officers of the New York, Ontario & Western to perform similar duties for the Susquehanna on a joint basis, effective March 1, as reported in the news pages of this issue.

Henry K. Norton will continue to serve as executive officer for **Walter Kidde**, trustee, with headquarters at 140 Cedar street, New York. **Herbert A. Taylor**, vice-president and general counsel, Erie, with headquarters at Cleveland, Ohio, will act also as counsel for the N. Y. S. & W. **E. L. Keller**, formerly of the trustee's staff, has been appointed treasurer of the road, with headquarters at 330 West 42nd street, New York. **A. L. Kline**, division superintendent of the Erie, with headquarters at Jersey City, N. J., has been appointed general manager, with headquarters at Paterson, N. J., and **F. C. Kronauer**, division engineer of the Erie, with headquarters at Jersey City, has been appointed chief engineer, also with headquarters at Paterson. **W. P. Holabird** has been appointed general agent, with headquarters at Edgewater, N. J. **A. B. Johnson**, general land and tax agent, Erie, with headquarters at Cleveland, will serve in the same capacity, without change in headquarters, for the Susquehanna as well.

Remaining officers of the Susquehanna will be joint with the New York, Ontario & Western and will continue in the same positions they now hold on the latter road. They are:

C. E. SIMMONS, secretary.
F. X. SOETE, purchasing agent.
W. F. MATHIESON, general auditor.
GEORGE ZABRISKIE, freight traffic manager.
E. R. MORRIS, coal traffic manager.
E. J. LILLIS, general freight agent, rates and freight claims.
D. F. MCCARTHY, assistant general freight agent.
A. E. TOMPKINS, general passenger agent.

The above will maintain headquarters at new joint N. Y. S. & W. and N. Y. O. & W. offices at 330 West 42nd street, New York.

The following joint officers maintain headquarters at Middletown, N. Y.:

D. S. TREAT, assistant general auditor.
O. W. Higbie, auditor of freight and passenger accounts.
J. M. HURLEY, industrial agent.
R. G. McANDREW, superintendent of motive power.
T. B. GIRARD, superintendent of car service.

OPERATING

John McEwen, whose promotion to superintendent on the Illinois Central, with headquarters at Carbondale, Ill., was announced in the *Railway Age* of February 10, was born at Carbondale on November 13, 1882, and entered railway service in 1900 as a yard clerk on the Illinois Central at Carbondale, later becoming a

Continued on next left-hand page



BOLTS FOR RAILROAD'S TOUGHEST SERVICE

Someone has said that the most important bolt in a locomotive is a loose bolt. Locomotive service is notoriously hard on bolts, and when they do loosen a lot of expensive maintenance work, or even replacement, may follow. A small bolt can put a large locomotive out of commission.

Manganese-Molybdenum steel has what it takes to produce bolts to meet the exacting demands of railroad use. It is strong and tough and can be heat treated to develop a high yield point. It responds so uniformly to heat treatment that good properties are

produced consistently on a mass production basis.

It is for those reasons that several railroads have standardized on Manganese-Molybdenum steel bolts — thus reducing troubles from cracked heads and stretching and the general maintenance costs that follow.

Complete data on the various Molybdenum steels used in railroad service will be found in our technical book, "Molybdenum in Steel". It is sent free on request to interested executives. It will pay you to investigate these modern steels for modern railroading needs.

PRODUCERS OF MOLYBDENUM BRIQUETTES, FERRO-MOLYBDENUM, AND CALCIUM MOLYBDATE

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March 2, 1940

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switchman. In 1903, he was promoted to conductor and was also assigned special work at various times. Mr. McEwen was



John McEwen

advanced to trainmaster on January 1, 1924, and served in that capacity on various districts of the St. Louis division until his promotion to superintendent on February 6.

Victor R. Walling, whose promotion to superintendent of the Chicago & Western Indiana, with headquarters at Chicago, was announced in the *Railway Age* of January 6, was born at Tripoli, Iowa, on May 24, 1880, and graduated from Kansas University in 1901 with the degree of bachelor of science and in 1911 received the honorary degree of C. E. He entered railway service in June, 1901, as a draftsman for the Cananea Consolidated Copper Company's Railway at Cananea, Sonora, Mex., later serving as instrumentman on the Southern Pacific, and on January 15, 1903, returning to the Cananea Consolidated as first assistant engineer. On March 1, 1907, he was advanced to chief engineer and on August 12, 1907, to superintendent and chief engineer. On June 20, 1912, Mr. Walling went with the Chicago & Western Indiana as first assistant engineer, with headquarters at Chicago,



Victor R. Walling

and three years later he was appointed principal assistant engineer of the C. & W. I., in charge of construction, track elevation and maintenance. In the spring of 1933, he was appointed engineer of

maintenance of way of both the C. & W. I. and the Belt Railway of Chicago, the position he held until his recent promotion.

ENGINEERING AND SIGNALING

Gurney H. Dayett, bridge designing engineer of the Baltimore & Ohio, with headquarters at Baltimore, Md., has been appointed assistant engineer of bridges with headquarters at Baltimore, succeeding **C. E. Sloan**, whose appointment as engineer of bridges was announced in the *Railway Age* of February 10.

L. H. Jentoft, assistant division engineer on the Erie at Hornell, N. Y., has been promoted to division engineer at Dunmore, Pa., to replace **Paul Sobbott**, who has been transferred to Jersey City to replace **F. C. Kronauer**, who has resigned to become chief engineer of the New York, Susquehanna & Western as reported elsewhere in these columns. **Raymond J. Pierce**, track supervisor on the N. Y. S. & W. at Paterson, N. J. has been promoted to assistant division engineer on the Erie at Hornell to succeed Mr. Jentoft.

PURCHASES AND STORES

I. W. Mummert has been appointed stationer of the Missouri-Kansas-Texas with headquarters at St. Louis, Mo., succeeding **E. A. Peck**, deceased.

OBITUARY

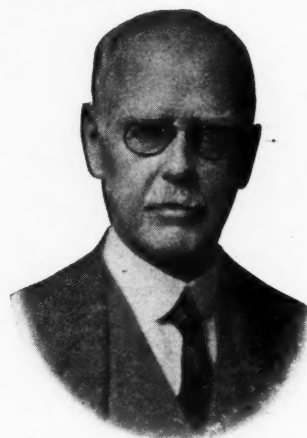
G. W. Hamilton, assistant to the freight traffic manager of the Union Pacific, with headquarters at Omaha, Neb., died in that city on February 22.

Edward Rogers Gardner, chief traffic officer of the Mobile & Ohio, with headquarters at St. Louis, Mo., whose death on February 19, was announced in the *Railway Age* of February 24, was born at Charleston, S. C., on May 23, 1890, and entered railway service on December 4, 1907, as a rate clerk in the office of the auditor of freight accounts of the Southern at Washington, D. C. In July, 1916, he was transferred to the freight traffic manager's office. In July, 1918, he was promoted to assistant chief clerk to the freight traffic manager and in March, 1902, to chief clerk. On March 1, 1921, he was appointed commerce agent at Washington and on September 15, 1928, he was advanced to assistant to the vice-president-traffic with the same headquarters. On February 1, 1932, Mr. Gardner left the Southern to go with the Mobile & Ohio as freight traffic manager, with headquarters at St. Louis and on September 8, 1933, his title was changed to chief traffic officer, the position he held until his death.

Charles H. Doorley, who retired on March 24, 1936, as superintendent of the Gary division of the Elgin, Joliet & Eastern, with headquarters at Gary, Ind., died at Grand Rapids, Mich., on February 23, after an illness of several months. Mr. Doorley was born at St. Catherine's, Ont., on March 24, 1866, and entered railway service on March 24, 1884, as an engine wiper on the Grand Trunk (now part of

the Canadian National), later serving as a fireman, engine hostler, and switchman on that road. In January, 1887, he went with the Chicago & Alton (now the Alton) as a switchman, later being promoted to yardmaster and in 1896, he became a yardmaster on the Chicago, Hammond & Western (now the Indiana Harbor Belt), two years later going with the Chicago, Lake Shore & Eastern (now the E. J. & E.), as a switchman. Mr. Doorley was later promoted successively to assistant yardmaster, night general yardmaster, general yardmaster, assistant superintendent, superintendent of the terminal at Joliet, Ill., acting superintendent of the Gary division and superintendent of that division, being appointed to the latter position in December, 1915.

Samuel Adams Lynde, who retired on April 15, 1930, as vice-president and assistant secretary of the Chicago & North Western and the Chicago, St. Paul, Minneapolis & Omaha, with headquarters in New York, died on February 22 at his home in Chandler, Ariz. Mr. Lynde was born at Rock Island, Ill., on December 14, 1855, and graduated from Harvard in 1877.



Samuel Adams Lynde

He later studied law at Rock Island and was admitted to the Illinois bar in 1881. He was engaged in general practice from 1881 until 1901, and on the latter date entered railway service as general attorney for the North Western. In 1910, he was appointed vice-president and assistant secretary of that road and of the Omaha, the positions he held until his retirement. He continued to serve as a director of both roads until his death.

J. H. Oppelt, superintendent of signals and telegraph of the New York, Chicago & St. Louis, with headquarters at Cleveland, Ohio, died in that city on February 22. He was born at Washington, Iowa on October 24, 1879, and entered railway service in 1901 as a rodman on the Nickel Plate. Four years later he was promoted to inspector of bridges and masonry. From 1907 to 1910 he served as supervisor of interlocking and supervisor of water service and in the latter year was appointed supervisor of signals at Bellevue, Ohio and later at Cleveland. On January 1, 1930, he was promoted to signal engineer at Cleveland, and on November 16, 1939 to superintendent of telegraph and signals.